Form Approved - OMB No. 0551-00XX

FAS-930
(Proposal 4)

U.S. DEPARTMENT OF AGRICULTURE
Foreign Agricultural Service

TRADE ADJUSTMENT ASSISTANCE (TAA) FOR FARMERS
PETITION FOR CERTIFICATION AND ELIGIBILITY FOR A GROUP OF PRODUCERS

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is the Trade Adjustment Assistance for Farmers, (Pub. L. 107-210). The information will be used to determine program eligibility. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in denial of program benefits. This information may be provided to other agencies.*

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0551-00XX. The time required to complete this information collection is estimated to average 6 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. ***RETURN THIS COMPLETED FORM TO THE ADDRESS LISTED BELOW.***

Please complete all requested information in this form and return it to the following address.

U.S. Department of Agriculture
Import Policies and Programs Division/FAS
1400 Independence Ave., S.W.
Stop 1021
Washington, DC 20250-1021

If you need assistance, telephone 202-720-2926 or e-mail your questions to (special e-mail account to be created).

1. Name of Authorized Representative or Primary Contact	2. Name and Business Address *(Including City, State, and Zip Code)*
Mark D. Vinsel	United Fishermen of Alaska 211 Fourth Street, Suite 110 Juneau, AK 99801
3. Telephone Number *(Including Area Code)* (907) 586– 2820	
4. Fax Number *(Including Area Code)* (907) 463-2545	5. E-Mail Address ufa@ufa-fish.org

6. This petition is made on behalf of the following producers: *(Use separate sheet for additional producers)*

A. Name of Producers	B. Mailing Address	C. Telephone No. (Including Area Code)	D. E-Mail Address
Alaska Salmon Fishermen	c/o United Fishermen of Alaska 211 Fourth St., Suite 110 Juneau, AK 99801	(907) 586-2820	ufa@ufa-fish.org
Alaska Salmon Fishing Crew Members	c/o United Fishermen of Alaska 211 Fourth St., Suite 110 Juneau, AK 99801	(907) 586-2820	ufa@ufa-fish.org

7. COMMODITY INFORMATION:

A. Description of the raw (excludes processed) agricultural commodity: *(eg., fresh raspberries)*	B. Commodity's Harmonized Tariff Schedule (HTS) number *(HTS can be found at: http://www.fas.usda.gov/ustrade/)*
Pacific Salmon , - Chum, Pink, Sockeye, and Coho Salmon (not farmed) (Onchorhynchus keta, Onchorhynchus gorbuscha, Onchorhynchus nerka, and Onchorhynchus kisutch)	0302.12.00.22, 0302.12.00.32, 0302.12.00.42, 0302.12.00.54

C. This petition is for the most recent marketing year for the commodity beginning in January 2002 *(month/year)* and ending December 2002 *(month/year)*

D. Check whether the certification is to cover a commodity produced nationally or in an "impacted" area (state or states):

☐ National ☒ State(s) *(list):* Alaska

8. If Item 7D "National" is checked, provide the national average annual price for the most recent marketing year and the 5 preceding marketing years. If Item 7D "State(s)" is checked to indicate that the petition is for an impacted area, provide the revelant average price for the most recent marketing year and the 5 preceding years, and specify the months being averaged if the price is for less than 12 months (seasonal price).

*(**NOTE:** National price data is available for many raw agricultural commodities from the Department's National Agricultural Statistical Service (NASS) at: www.usda/gov/nass.*

A. Marketing Years	B. Average Annual Price				
Most recent 2002	$ **SEE ATTACHMENT B**				
Provide prices for the 5 years prior to the most recent marketing years. Beginning with the most recent.	1 Year ago:	2 Years ago:	3 Years ago:	4 Years ago:	5 Years ago:
	$	$ **SEE ATTACHMENT B**	$	$	$

9. Basis for request for adjustment assistance. Please explain or attach any documents, which show how increased imports have affected the national price of your product during the most recent marketing year. In your description include any other factors which may also have contributed to lower producer prices.

SEE ATTACHMENT A

10A SIGNATURE OF AUTHORIZED REPRESENTATIVE OR PRIMARY CONTACT	10B TITLE	10C DATE SIGNED
Mark O. Vinis	Executive Administrator	August 29, 2003
11A SIGNATURE OF FAS REPRESENTATIVE	11B TITLE	11C DATE

UNITED FISHERMEN OF ALASKA

211 Fourth Street, Suite 110
Juneau, Alaska 99801-1172
(907) 586-2820
(907) 463-2545 Fax
E-Mail: ufa@ufa-fish.org
www.ufa-fish.org

USDA Trade Adjustment Assistance for Farmers - Alaska Salmon Fishermen

Petition form FAS-930 - Attachment A

Response to 9) Basis for Request for Adjustment Assistance

Eligible Group

This petition covers all commercial fishermen and crew who participated in 2002 Alaska commercial salmon fisheries. Records to determine the eligible class members are available from the State of Alaska Commercial Fisheries Entry Commission (C.F.E.C.) at (907) 789-6160, for individual fishing permit holders, and State of Alaska Department of Fish and Game Commercial Fisheries Division at (907) 465-4210 for individual crew members. Additional Alaska salmon fishermen and crew members not under permit from State of Alaska can be verified through Metlakatla Indian Community, Victor Wellington, Mayor; P.O. Box 8, Metlakatla, AK 99926 (907) 886-4441.

Please note that members of the group may not necessarily reside in Alaska.

Crew members are licensed by the Alaska Department of Fish and Game. Crew licenses do not specify the species. In order to verify a share in a salmon harvest, an individual applying for assistance as a crew member could verify his or her share of salmon catch through photocopies of eligible fish tickets from applicable salmon deliveries, and a signed affidavit from the CFEC permit holder shown on the fish ticket verifying the percentage share of the catch that was assigned to the crew member, with a corresponding adjustment acknowledged in the permit holder's share of the catch. A sample fish ticket is included as attachment J.

Justification

All of Alaska's salmon fishermen have been severely impacted by increased imports of salmon in the variety forms and applicable HTS numbers under which salmon is imported. Attachment D, a report from the FAS agricultural import commodity aggregations shows all salmon imports in all the HTS categories. The aggregated volume increase of all salmon imports during the 1997 – 2001 period was over 100%.

Attachment D shows 43 specific HTS numbers under which salmon is imported into the US. The abbreviated descriptions and HTS numbers of the competing import products are:

SAL AT FM; F F/C	304104093
SALMN,ATL,FARM	302120003
SALMON ATL FL/FZ	304206006
OTH SALM FIL FZ	304206008
SALM,CHNK,FARM	302120013
PK SLMN N/OIL,CN	1604114020
ATLANTIC SALMON	303220000
P/A/D/ SALMON SM	305410000
SAL OTH FIL F/C	304104096
CHUM,DOG	303190022
SALMON,CHUM	302120022
CHINOOK,KING	303190012
SALMON,OTHER	302120062
SALM,COHO/SLV,FM	302120053
SALMON,WHOLE,NES	1604114050
SLMN NES,CN/NOIL	1604114040
SALMN,ATL,NFARM	302120004
SALMON,PINK	302120032
SAL AT NFM F F/C	304104094
SALMON,SOCKEYE	302120042
PINK,HUMPIE	303190032
COHO, SILVER	303190052
SALM,CHNK,NFARM	302120014
SOCKEYE, RED	303110000
SALM,COHO/SLV,NF	302120054
SAL OTHER	1604112090
PACIF SALMON,OTHER	303190062
OTHER SALMON	303290000
SALMONIDAE,FR/CH	302190000
SCKY SLMN N/O CD	1604114030
SALMON ROE,D/S/S	305204020
SALMON SLT/DR/SM	305694000
SALMON ROE, FROZ	303804040
SAL PINK HUMPIE	1604112020
CHINOOK,KING	303100012
CHUM	303100022
PINK HUMPIE	303100032
SOCKEYE, RED	303100042
COHO, SILVER	303100052
PACIF SALMON,OTHER	303100062
SALMON ATL F F/C	304104091
SALMON OTH FL FC	304104092
CHUM,NT/OIL,CAND	1604114010

The Pacific salmon species - Chinook, Chum, Pink, Sockeye, and Coho Salmon (Onchorhynchus Tschawytscha, Onchorhynchus keta, Onchorhynchus gorbuscha, Onchorhynchus nerka, and Onchorhynchus kisutch – H.T. S. numbers 0302.12.14, 0302.12.22, 0302.12.32, 0302.12.42, 0302.12.54, respectively) and imported salmon of the H.T.S numbers referenced above, are "like products" and "directly compete" with one another in the domestic marketplace.

Imports of salmon have impacted the domestic market prices for all Pacific salmon species, with prices to Alaska fishermen dropping precipitously as imports rose dramatically between 1997 and 2002. Imports of salmon increased from 83,510 metric tons in 1997 to 213,542 metric tons 2002 according to the Foreign Agricultural Service. (See Attachment D). During this period Alaska salmon statewide weighted average (total value divided by total volume combined for all species) dropped from $0.47 per lb. to $0.26 per lb. A chart illustrating these concurrent trends is included as Attachment E.

Conclusive evidence that the increase of imported salmon contributed importantly to the price decline to Alaska salmon fishermen is illustrated by the longer term correlation, shown in Attachment F. According to economist Phil Lansing, Senior Fellow in Economics at the Institute for Agricultural and Trade Policy, over three-fourths of change in price may be explained by change in import volume (See attachment F).

According to State of Alaska comments on Chile Free Trade Agreement (Attachment G) (http://www.dced.state.ak.us/cbd/seafood/pub/soacomments.pdf),
"The huge supply of imported Chilean farm salmon into the United States has a direct and devastating effect on salmon fishermen". (Attachment G. p.3)
Regarding the impact of product forms other than whole fish on the Alaska salmon prices, "The volume-related price drop of Chilean fillets in the US marketplace has preempted profitable and viable participation by Alaska salmon producers of consumer-ready fresh fillets (Attachment G p.8).

Alaska salmon of Chinook, Pink, Chum, Sockeye and Coho species are generally delivered by the producers (fishermen) to processors in the raw or natural state. HTS numbers referenced in section 7B of the petition refer to the HTS numbers of Alaska's salmon varieties in this product form as it is generally delivered.

Other factors that may have influenced salmon prices to Alaska fishermen are the decline of the Japanese economy and the world economy, and increased volumes of foreign farmed salmon in world markets.

Note on Salmon Price Data
NASS price data is not available for Pacific salmon species. The source of Alaska statewide salmon price data that is considered to be most accurate is the final yearly figures based on the Commercial Operator's Annual Reports (COAR) and available from the Alaska Department of

Fish and Game. The yearly prices by species in response to item 8B (Attachment B) is from COAR data provided by Sheila Martin at the Alaska Department of Fish and Game (907) 465-6131 (Attachment C). This data for years 1997 through 2001 is published by ADF&G on the internet at:
http://www.cf.adfg.state.ak.us/geninfo/FINFISH/SALMON/CATCHVAL/BLUSHEET/84-02exvl.pdf (Attachment H). Note that the 2002 prices in Attachment H are not from final COAR data; they are from preliminary data, as the ADF&G has not yet updated the published document with the 2002 prices. We obtained updated COAR data for 2002 from Sheila Martin, used in the statewide averages by species in petition item # 8B (Attachment B), and have included the Excel spreadsheets of the full data for all regions as attachment I.

For purpose of loss calculation, due to the regional differences evident in attachment I, in the alternative to statewide average prices, the Department of Agriculture, if possible in their implementation of the program, should consider using COAR price information based on regional data.

For additional information concerning this petition, please contact United Fishermen of Alaska at (907) 586-2820.

USDA Trade Adjustment Assistance for Farmers - Alaska Salmon Fishermen

Attachment B

FAS-930 - Item 8 B. - Average Annual Price by Species / H.T.S # for Qualifying Species

Prepared by Mark Vinsel, United Fishermen of Alaska
Source: Sheila Martin, Alaska Department of Fish & Game - (907) 465-6131 - sheila_martin@fishgame.state.ak.us
Data is from Alaska Commercial Operators Annual Reports (COAR)

Chinook Salmon (not farmed)- H.T.S.# 0302.12.14

Most Recent Year - 2002 Statewide Average Price: $1.30 / lb.

5 Prior Years Statewide Average Yearly Price	2001	2000	1999	1998	1997
	$1.71	$1.95	$2.30	$1.28	$1.59

Chum Salmon - H.T.S.# 0302.12.22

Most Recent Year - 2002 Statewide Average Price: $0.18 / lb.

5 Prior Years Statewide Average Yearly Price	2001	2000	1999	1998	1997
	$0.34	$0.27	$0.21	$0.19	$0.25

Pink Salmon - H.T.S.# 0302.12.32

Most Recent Year - 2002 Statewide Average Price: $0.10 / lb.

5 Prior Years Statewide Average Yearly Price	2001	2000	1999	1998	1997
	$0.13	$0.15	$0.16	$0.16	$0.15

Sockeye Salmon - H.T.S.# 0302.12.42

Most Recent Year - 2002 Statewide Average Price: $0.61 / lb.

5 Prior Years Statewide Average Yearly Price	2001	2000	1999	1998	1997
	$0.58	$0.79	$1.02	$1.23	$0.98

Coho Salmon (not farmed)- H.T.S.# 0302.12.54

Most Recent Year - 2002 Statewide Average Price: $0.35 / lb.

5 Prior Years Statewide Average Yearly Price	2001	2000	1999	1998	1997
	$0.48	$0.56	$0.83	$0.57	$0.78

USDA Trade Adjustment Assistance for Farmers – Alaska Salmon Fishermen
ATTACHMENT C

Source data for Item 8B – Alaska Salmon Prices 1997 - 2002

Alaska Department of Fish and Game
Division of Commercial Fisheries

Title:	**Statewide Average Exvessel Salmon Prices 1997-2002**
For:	Mark Vinsel, UFA & Roland Maw UCIDA
Contact:	Sheila Martin; 907-465-6131; sheila_martin@fishgame.state.ak.us
Data Source:	COAR Database; Run 08/28/03

Year	Area	Species	Average Exvessel $/lb
1997	Statewide	salmon, chinook	$1.59
1998	Statewide	salmon, chinook	$1.28
1999	Statewide	salmon, chinook	$2.30
2000	Statewide	salmon, chinook	$1.95
2001	Statewide	salmon, chinook	$1.71
2002	Statewide	salmon, chinook	$1.30
1997	Statewide	salmon, chum	$0.25
1998	Statewide	salmon, chum	$0.19
1999	Statewide	salmon, chum	$0.21
2000	Statewide	salmon, chum	$0.27
2001	Statewide	salmon, chum	$0.34
2002	Statewide	salmon, chum	$0.18
1997	Statewide	salmon, coho	$0.78
1998	Statewide	salmon, coho	$0.57
1999	Statewide	salmon, coho	$0.83
2000	Statewide	salmon, coho	$0.56
2001	Statewide	salmon, coho	$0.48
2002	Statewide	salmon, coho	$0.35
1997	Statewide	salmon, pink	$0.15
1998	Statewide	salmon, pink	$0.16
1999	Statewide	salmon, pink	$0.16
2000	Statewide	salmon, pink	$0.15
2001	Statewide	salmon, pink	$0.13
2002	Statewide	salmon, pink	$0.10
1997	Statewide	salmon, sockeye	$0.98
1998	Statewide	salmon, sockeye	$1.23
1999	Statewide	salmon, sockeye	$1.02
2000	Statewide	salmon, sockeye	$0.79
2001	Statewide	salmon, sockeye	$0.58
2002	Statewide	salmon, sockeye	$0.61

Attachment D – Total Salmon Import Volume 1996 - 2002

August 29, 2003

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
FAS AGRICULTURAL IMPORT COMMODITY AGGREGATIONS

AREA/COUNTRIES OF ORIGIN AND COMMODITIES IMPORTED GENERAL IMPORTS		CUMULATIVE TO DATE QUANTITIES JANUARY - DECEMBER						
		1996	1997	1998	1999	2000	2001	2002
WORLD TOTAL SAL AT FM; F F/C	0304104093 MT	0.0	0.0	36,064.2	46,068.6	58,100.8	83,204.6	93,657.4
SALMN,ATL,FARM	0302120003 MT	39,316.6	44,247.5	48,272.4	51,422.2	53,619.6	59,740.6	67,143.1
SALMON ATL FL/FZ	0304206006 MT	1,890.6	3,188.3	5,264.8	6,891.1	9,719.6	14,939.3	22,736.0
OTH SALM FIL FZ	0304206008 MT	1,687.0	3,136.9	3,945.9	3,659.6	3,066.0	2,946.4	4,370.0
SALM,CHNK,FARM	0302120013 MT	6,599.5	4,180.2	4,518.0	3,115.0	2,586.4	2,759.4	3,491.6
PK SLMN N/OIL,CN	1604114020 MT	210.3	180.9	144.5	332.5	1,177.4	2,007.5	3,106.6
ATLANTIC SALMON	0303220000 MT	2,970.2	3,591.0	3,376.9	4,372.6	4,841.8	3,808.6	3,009.1
P/A/D/ SALMON SM	0305410000 MT	880.8	1,139.6	973.9	1,542.4	1,833.5	2,257.5	2,884.4
SAL OTH FIL F/C	0304104096 MT	0.0	0.0	4,325.7	1,597.9	2,114.4	1,614.4	2,476.9
CHUM,DOG	0303190022 MT	0.0	0.0	0.0	0.0	0.0	0.0	1,943.3
SALMON,CHUM	0302120022 MT	3,812.1	3,244.0	4,013.0	2,333.1	1,505.6	750.6	1,485.9
CHINOOK,KING	0303190012 MT	0.0	0.0	0.0	0.0	0.0	0.0	1,157.9
SALMON,OTHER	0302120062 MT	7,698.0	7,187.4	2,817.5	3,783.7	1,991.2	1,556.7	1,139.4
SALM,COHO/SLV,FM	0302120053 MT	409.9	548.9	797.7	531.9	441.7	850.6	785.9
SALMON,WHOLE,NES	1604114050 MT	225.6	242.3	327.5	489.7	656.0	423.5	661.0
SLMN NES,CN/NOIL	1604114040 MT	601.6	88.1	101.8	138.5	159.1	308.6	585.0
SALMN,ATL,NFARM	0302120004 MT	594.3	525.1	394.9	566.0	523.9	406.2	479.9
SALMON,PINK	0302120032 MT	93.5	419.4	127.0	237.0	97.6	39.8	404.1
SAL AT NFM F F/C	0304104094 MT	0.0	0.0	1,491.8	543.9	4,407.3	408.2	259.3
SALMON,SOCKEYE	0302120042 MT	275.4	928.3	226.7	95.5	126.0	120.7	254.2
PINK,HUMPIE	0303190032 MT	0.0	0.0	0.0	0.0	0.0	0.0	248.9
COHO, SILVER	0303190052 MT	0.0	0.0	0.0	0.0	0.0	0.0	241.5
SALM,CHNK,NFARM	0302120014 MT	179.5	236.4	294.5	119.7	107.8	151.1	232.6
SOCKEYE, RED	0303110000 MT	0.0	0.0	0.0	0.0	0.0	0.0	142.9
SALM,COHO/SLV,NF	0302120054 MT	173.8	20.3	68.1	77.6	18.9	83.4	133.2
SAL OTHER	1604112090 MT	0.3	3.7	0.0	7.4	32.8	62.3	123.3
PACIF SALMON,OTH	0303190062 MT	0.0	0.0	0.0	0.0	0.0	0.0	122.6
OTHER SALMON	0303290000 MT	38.8	179.0	506.5	585.2	87.4	42.6	98.0
SALMONIDAE,FR/CH	0302190000 MT	171.0	186.0	188.2	119.0	41.4	53.0	57.4
SCKY SLMN N/O CD	1604114030 MT	4.0	42.7	26.5	59.4	27.4	106.8	38.9
SALMON ROE,D/S/S	0305204020 MT	4.2	6.9	7.5	49.3	117.8	51.3	32.9
SALMON SLT/DR/SM	0305694000 MT	37.2	8.3	7.7	15.1	34.9	23.6	19.9
SALMON ROE, FROZ	0303804040 MT	26.2	2.0	38.7	7.4	7.1	28.3	18.4
SAL PINK HUMPIE	1604112020 MT	0.0	0.0	0.0	0.3	212.6	19.9	1.4
CHINOOK,KING	0303100012 MT	168.2	209.9	272.0	365.3	254.0	69.4	0.0
CHUM	0303100022 MT	1,376.5	6,967.0	2,429.1	2,295.6	1,270.9	1,057.4	0.0
PINK HUMPIE	0303100032 MT	234.0	411.3	77.7	332.5	698.3	311.1	0.0
SOCKEYE, RED	0303100042 MT	49.6	169.0	87.5	49.1	122.9	137.4	0.0
COHO, SILVER	0303100052 MT	234.0	116.4	229.4	65.0	114.9	147.5	0.0
PACIF SALMON,OTH	0303100062 MT	79.8	450.4	209.2	162.9	110.2	58.0	0.0
SALMON ATL F F/C	0304104091 MT	12,938.1	23,333.7	0.0	0.0	0.0	0.0	0.0
SALMON OTH FL FC	0304104092 MT	529.3	739.9	0.0	0.0	0.0	0.0	0.0
CHUM,NT/OIL,CAND	1604114010 MT	0.0	0.0	0.5	16.1	47.8	0.0	0.0
TOTAL	MT	83,510.0	105,930.7	121,627.5	132,048.3	150,275.2	180,546.3	213,542.7

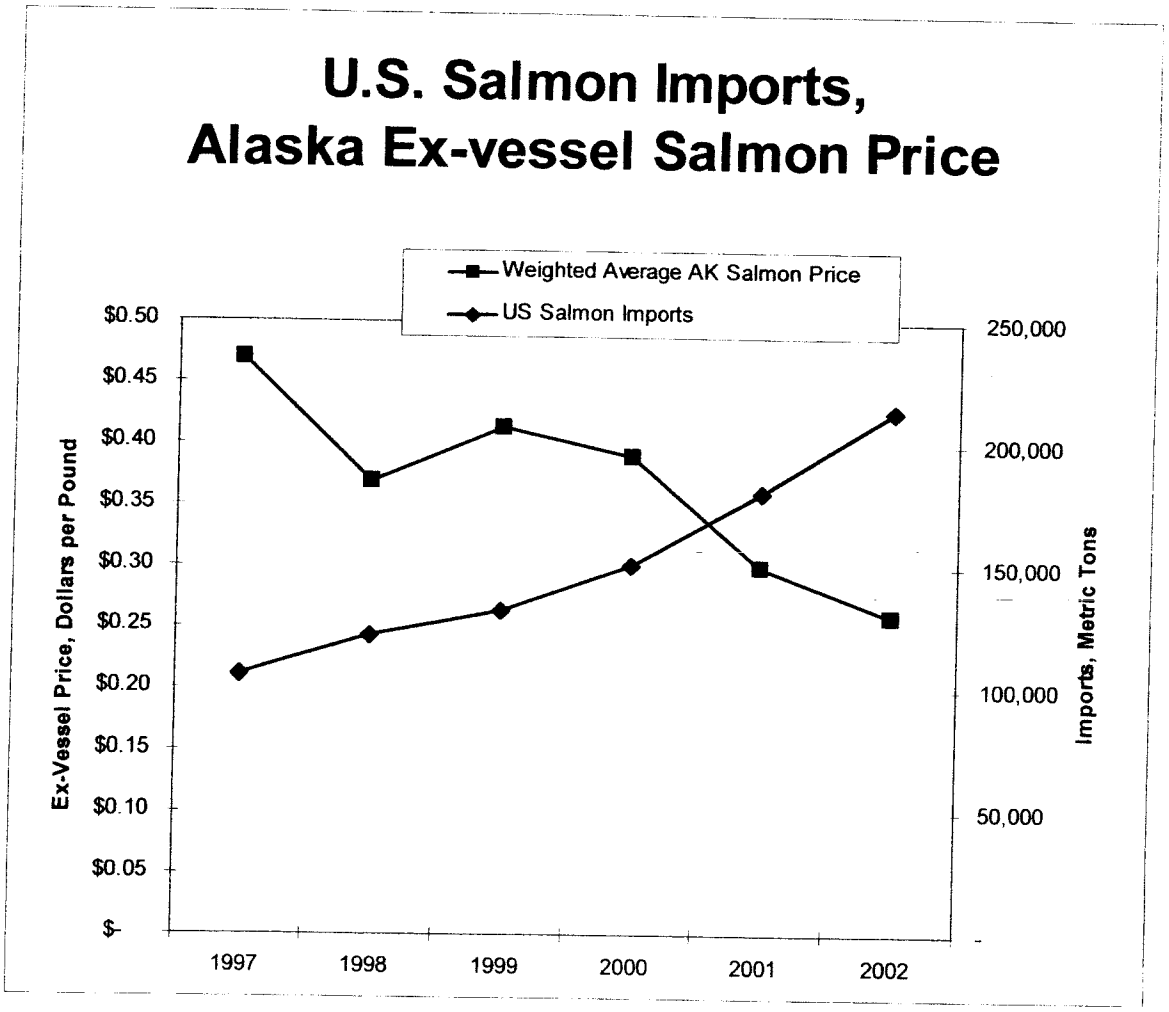
Data Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics
Note: All zeroes for a data item may show that statistics exist in the other import type, Consumption or General.

**** WARNING ****

Users should use cautious interpretation on QUANTITY reports using mixed units of measure. Commodity groups on a value report will reflect a total of all statistics for each commodity in the group in DOLLARS, whereas a QUANTITY line item will show statistics on the greatest number of like units of measure for grouped commodities.

USDA Trade Adjustment Assistance for Farmers – Alaska Salmon Fishermen

ATTACHMENT E

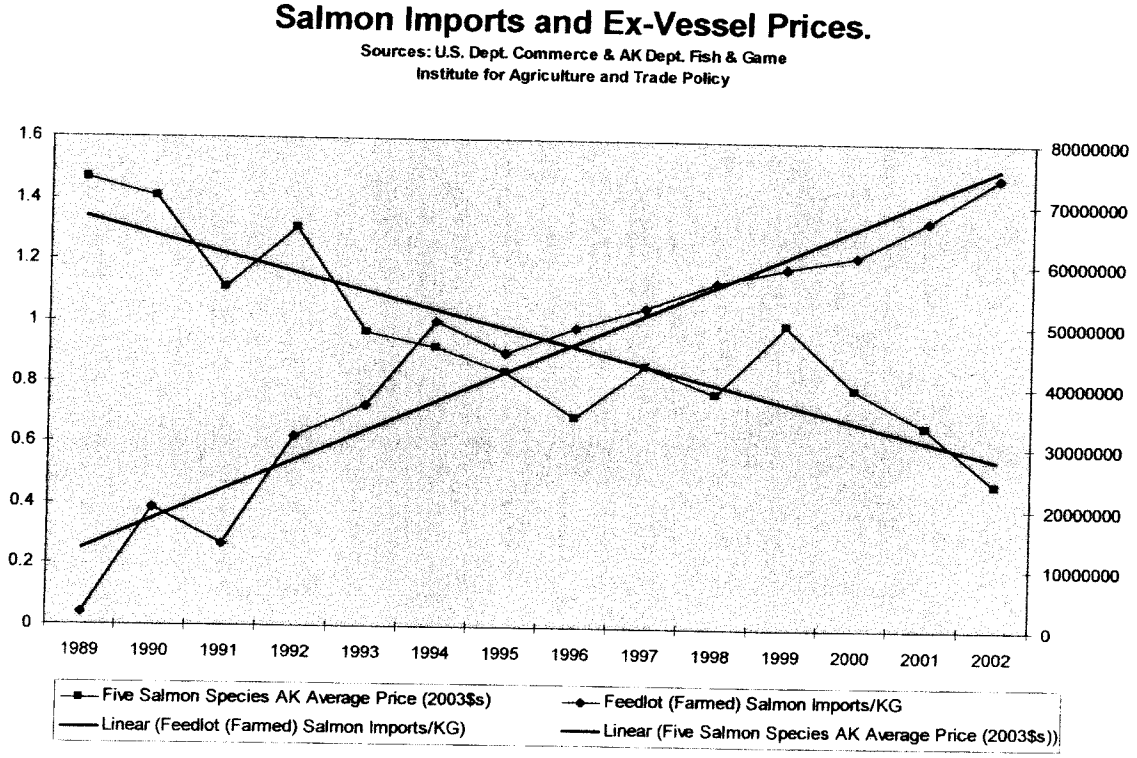


Weighted average is calculated as the total Alaska statewide ex-vessel value divided by the total volume in lbs., combined for all salmon species.

Source: Alaska Department of Fish and Game

USDA Trade Adjustment Assistance for Farmers – Alaska Salmon Fishermen

ATTACHMENT F



Salmon Imports and Ex-vessel Prices - Notes on the Chart

The attached chart illustrates increased imports of feedlot (farm) salmon into the U.S. and decreasing ex-vessel prices for capture salmon in Alaska. The statistical correlation between increasing imports and decreasing ex-vessel prices over the 14-year period is -.88. The r-squared value is .78. This is a robust correlation. While they should not be confused with a price model, these results plainly show the strong link between changes in import volume and domestic price. Over three fourths of change in price may be explained by change in import volume. The two black linear trend lines on the chart illustrate plainly the inverse relationship between imports and price.

Salmon import data was obtained from the U.S. Department of Commerce Economics and Statistics Administration, U.S. Census Bureau: U.S. Imports History, Historical Summaries 1989-2002.
To obtain annual feedlot salmon imports the following HS commodity categories were summed: #0303220040 Atlantic and Danube Salmon, Frozen, Nesoi. #030212003 Atlantic Salmon Farmed Fresh, #0302120013 Chinook (King) Salmon Farmed Fresh, #0302120053 Coho (Silver) Salmon Farmed Fresh. A continuing analysis might find an even stronger correlation with dockside prices if the relatively small volumes of frozen imports are excluded.

Domestic capture salmon prices were obtained from the Alaska Department of Fish and Game: Salmon Ex-vessel Price per Pound. Time Series by Species. Statewide averages for five species: Chinook, Chum, Coho, Pink and Sockeye were averaged to find an overall average price series. This series was converted to June 2003 real dollars using: The Consumer Price Index, All Urban Consumers, Seasonally Adjusted, 1982-84=100, U.S. Department of Labor, Bureau of Labor Statistics. It is worth noting that use of average prices in this analysis tends to overstate the importance of higher-value, lower-volume Kings relative to low-value, high-volume Pinks. A more accurate picture of fishing income change could be obtained by combining dockside prices with volumes, but catch data does not appear to be available in that form.

For additional information on this chart and analysis contact:
Philip S. Lansing, MAoxon
Senior Fellow in Economics
Institute for Agriculture and Trade Policy
208.333.1919
pslansing@AOL.com

Report to the Office of the Secretary
United States International Trade Commission

State of Alaska Comments on:

U.S. – Chile Free Trade Agreement: Potential Economy Wide and Selected Sectoral Effects

Investigation 332-434

The proposed Free Trade Agreement (FTA) between the United States and Chile may exacerbate the economic and social demise of Alaska's coastal communities and dislocate an entire US industry composed of over 10,000 private businesses. Furthermore, it will remove an important nutritional food choice, wild Alaska salmon, from the American consumer.

For the past three years, the Alaska salmon industry has encountered significant difficulties moving product into the domestic market. US producers are finding orders reduced or severed altogether. The industry is competing directly with a low-cost, farmed salmon from Chile. After providing a policy background describing the State of Alaska's position regarding the FTA, this paper reviews the quantitative data regarding the current situation and the potential effect of a FTA with Chile. The paper will also provide qualitative information, in part from testimonials of Alaskan processors, regarding the impact of the glut of cheap, imported farmed salmon into the US.

Policy Background

The State of Alaska is strongly committed to free trade. The State recognizes that free trade strengthens economies and leads to increased political stability on an international level. In our state, international trade is very important to the health of Alaska's economy, with seafood being Alaska's number one export. The Alaska seafood industry, and therefore trade opportunities, is of critical significance to Alaska's rural economies, Native Alaskan communities, and the state as a whole.

But free trade means more than reducing tariffs to zero, and more than reversing non-tariff barriers. It also means creating an equal playing field between two nations in terms of environmental, labor and other relevant regulations. Regulatory compliance is expensive, as every Alaska fisher can testify. Regulations add costs to every step of the fishing process from record keeping to monitoring, from the design of facilities to limitations on harvests. When regulatory requirements of one nation far exceed those of another, free trade is not obtained by simply eliminating tariffs or other trade barriers.

The opposite is created: free trade is distorted and what results is an invisible system of subsidization where the nation with lower regulatory standards subsidizes their producers by not requiring them to meet what we in the United States view as essential environmental and labor standards. Under such a circumstance, which well describes the competition between Alaskan and Chilean salmon, trade is not free; it is subsidized. American fishers and processors are at a government-enforced disadvantage.

Governor Tony Knowles' letters to Ambassador Zoellick, US Trade Representative sent in January and February of this year, followed by the testimony delivered by the State of Alaska in April to the International Trade Commission, pointed out that there are significant costs of production required to be internalized by Alaska salmon producers, with no or little comparable requirements on Chilean farmed salmon producers. This allows Chilean salmon to be marketed in the U.S. at much lower, subsidized, prices. The Governor wrote that the State of Alaska was asking that the USTR seek, through the FTA, a level playing field between Alaska and Chilean salmon producers regarding compliance with and enforcement of environmental and other pertinent regulations. (Please see the State of Alaska's Testimony of the State of Alaska Regarding the U.S.-Chile Free Trade Agreement: Advice Concerning Probable Economic Effect Investigation No. 332-430)

The large number of state and federal salmon production requirements and resulting costs borne by the wild salmon industry in Alaska must be recognized. Detailed in the State's written testimony, they regulate:

- Fishery management
- Processing operations
- Waste management, air quality and other environmental impacts of processing
- Worker and industry safety
- Taxation

The State of Alaska has identified forty different sets of federal and state requirements with which Alaska salmon producers must comply.

A clear example is that Alaska is mandated by its state constitution and federal laws to manage its fisheries in a sustainable manner. As a result, Alaska utilizes a world-class fisheries management system that has earned the first-ever certification by the Marine Stewardship Council as a sustainable fishery.

Providing this level of sustainable resource management creates significant costs for Alaska salmon producers. There are operating restrictions caused by limited fishing seasons, narrow hours of the day for fishing during those seasons, and quotas for how much fish can be harvested. These constraints require fishermen and processors to delay harvesting and processing operations. Yet they must still pay their boat crews, processing workers and other staff; must meet all regulatory requirements and made permit, fee and tax payments; and must maintain state-of-the-art processing facilities located in highly remote areas of Alaska.

In contrast, the Chilean aquaculture industry has not been required by the Chilean government to address the same environmental impacts as are occurring in other fish farming nations, and internalize the costs of doing so. Rather, the Chilean government is reported to be promulgating regulations that will speed up the growth rate of the aquaculture industry by shortening the license application process.

It is unfair and of huge economic and social consequence to Alaska if the proposed U.S.-Chile Free Trade Agreement does not address this inequity – that in Alaska, environmental and other regulatory costs are reflected in the price of its salmon but in Chile, where there are serious environmental impacts caused by the salmon farming industry, the price of Chilean salmon in the U.S. does not include those or other regulatory costs. Without a

leveling of this playing field, the Chilean salmon industry will continue to provide salmon products, including organic salmon as is forecast, at record low prices to the US market and prevent viable Alaska salmon producer participation.

This will put additional pressure on salmon processors to curtail and close operations in remote Alaska Native communities which are economically, socially, and culturally reliant on salmon harvesting and processing.

If the intent of the proposed trade agreement with Chile is to foster free trade while meeting USTR's responsibility to "...promote the rule of law and defend the rights of U.S. workers, farmers and businesses..." (Mission of the Office of the U.S. Trade Representative, as indicated on the agency's website) only one action within the FTA is possible: ensure that Chile is meeting its obligation to erase the "invisible" subsidization of Chilean salmon. To say that since there are no tariffs on imported salmon from Chile and not have the FTA address the invisible subsidization issue, is to shift to Chile, a foreign country, the responsibility delegated to the U.S. Trade Representative to "promote the rule of law and defend the rights of U.S. workers" and businesses. That is not the best way to promote free and unsubsidized trade.

At the time that the Draft Environmental Review (DER) was published in November 2001, the United States had not tabled text for the FTA regarding labor or other environmental obligations. Both Parties were said to be carefully considering how these issues could be best addressed in the context of the FTA." (IV. Regulatory Review of the Draft Environmental Review, page 46). However, despite being close to the conclusion of the negotiations, the DER did not give alternative positions the U.S. is considering "in which the potential trade agreement can complement U.S. environmental objectives" (ER Guidelines – General Principles). The DER also did not identify approaches for achieving environmental benefits. There was nothing in the current DER allowing public review of this very important issue arena; an arena which the State of Alaska officially put on the table during the scoping process.

The State of Alaska is not asking for placing tariffs on the Chilean salmon imports as a way of addressing the tremendous volumes coming into U.S. markets. Instead, it is asking for a level playing field of production costs, and the State is pointing to leveling the playing field in the environmental area - in terms both of regulations and enforcement, as the best place to begin. Therefore, the State's review of the environmental portion of the U.S.-Chile FTA must be a key aspect of the FTA process, as indicated in the Guidelines of an Environmental Review. Without the opportunity for the State of Alaska to see and comment on the proposed environmental obligations within the FTA, the State cannot be assured that the rights of Alaska seafood harvesters and processors are being defended, as is the mission of the USTR and supported by the purpose of an Environmental Review (mandated by Executive Order 13141).

Quantitative Analysis of United States-Chile Free Trade Agreement

The huge supply of imported Chilean farm salmon into the United States has a direct and devastating effect on salmon fishermen, processors and coastal communities of Alaska. Market data shows that low cost production standards in Chile result in lower prices of salmon in the US market. Further, the Chilean farmed salmon industry is capable of mass

producing high-value products at a rate beyond the existing capacity of the Alaska's industry and in excess of market demand. The continued and increased importation of cheap, farmed salmon, will eventually decimate an already crippled US industry. A free trade agreement that does not address the existing imbalance between the two competing industries is inadequate.

Alaska Salmon Industry Structure

The Alaska salmon industry is a resource extraction industry coupled with great distances to markets and thousands of potential buyers. As such, there are several layers of participants. The duties of these participants in bringing these wholesome and natural products to the American consumer are as follows:

- **Harvester**: The harvester, or fishermen, works on the water to extract the salmon from the ocean. The harvester handles the fish until it is delivered to a tender, or processor. In 1995, 9,859 salmon fishermen earned $485 million. In 2000, there were 8,590 fishermen who witnessed their earnings fall to $276 million. That earnings value fell to just over $200 million in 2001.
- **Tender**: Vessels positioned in remote fishing grounds that take fish from fishermen and ship them to processing facilities. In 2000, there were over 1,200 tender/packer vessels registered with the State of Alaska.
- **Processors**: Operations that process the fish. Processing can include removing the head and entrails (head and gutting), canning, fillet production, roe recovery, etc. Much of the processing that occurs in Alaska is called primary processing. Secondary processing products include fillets, smoked, and other creative products. Secondary processing occurs in Alaska, Washington and other stages of the distribution chain. In 2000, there were an estimated 250 large or small canning or processing operations registered with the State of Alaska. There is also a significant amount of processing capacity in Washington State.
- **Distributor**: Operations that moves the fish from the processor to the retail outlet or food service buyer.
- **Retail Store**: Outlets that sells product directly to the consumer for end use in the home.
- **Food service**: Includes restaurants, institutions, cafeterias and other, which prepare food for consumption at that location.
- **Broker**: Intermediaries that assist in moving product to the market.

In the Alaska salmon industry, the harvester most often absorbs lower prices charged to the end consumer. Costs associated with all phases of operations, energy, fuel, insurance, labor, etc., for any of the participants, are relatively stable, other then to increase with inflation or

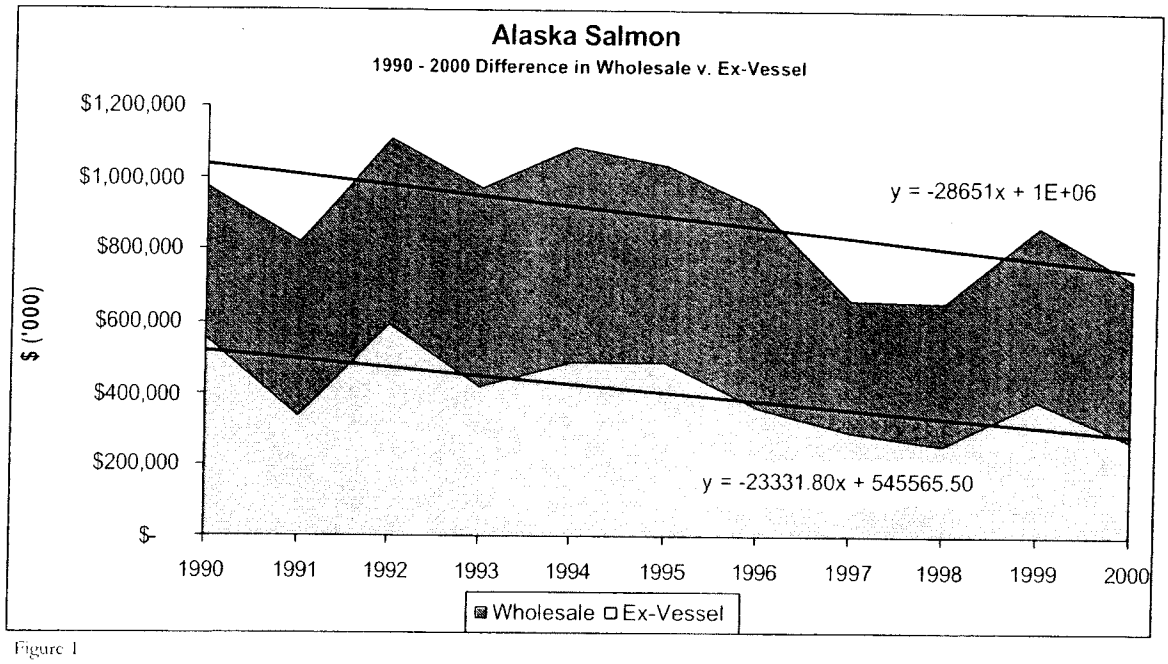


Figure 1

changes with unrelated global factors. The cost that can adjust with the least amount of resistance is the cost of the raw material. The cost of raw material, or fish, is reflected in the ex-vessel value[1] paid to the harvester by the processor. Figure 1 provides a graph with the statewide ex-vessel value in comparison with the wholesale value[2] for each year. Trend lines demonstrate the downward pressure for both values. The mark-up value for a wholesaler (processor in our earlier description) is consistent from year to year, falling under a range of 175 – 250%. This demonstrates most of the impact from changing market prices for salmon is absorbed by the harvester.

One factor that affects overall earnings as listed in Figure 1 is the total harvest of salmon, which can vary significantly from region to region each year. Until 1998, salmon was price elastic, meaning that fluctuation in supply changed price conversely. However, as farmed salmon production outpaces Alaska wild salmon production and began moving massive amounts of product to the market in forms beyond the capacity of Alaska's industry, the price of Alaska salmon became inelastic.

[1] Ex-vessel value means the dollar per pound that a harvester receives from the tender/processor. Taken in its entirety, it reflects the gross earnings for the harvester sector.

[2] Wholesale value denotes the total earnings of the companies that initially purchase salmon from the harvesters. The value reflects earnings for the salmon product in whatever stage of processing it might have been when it left the initial processor's ownership.

As Figure 1 indicates, money paid to fishermen in Alaska has fallen considerably. When the ex-vessel value falls below a break-even point for a harvest operation, that operation can no longer continue operating. When the harvesting sector is no longer able to harvest at a profit, entire product lines will be removed and the associated businesses and industries will be adversely impacted.

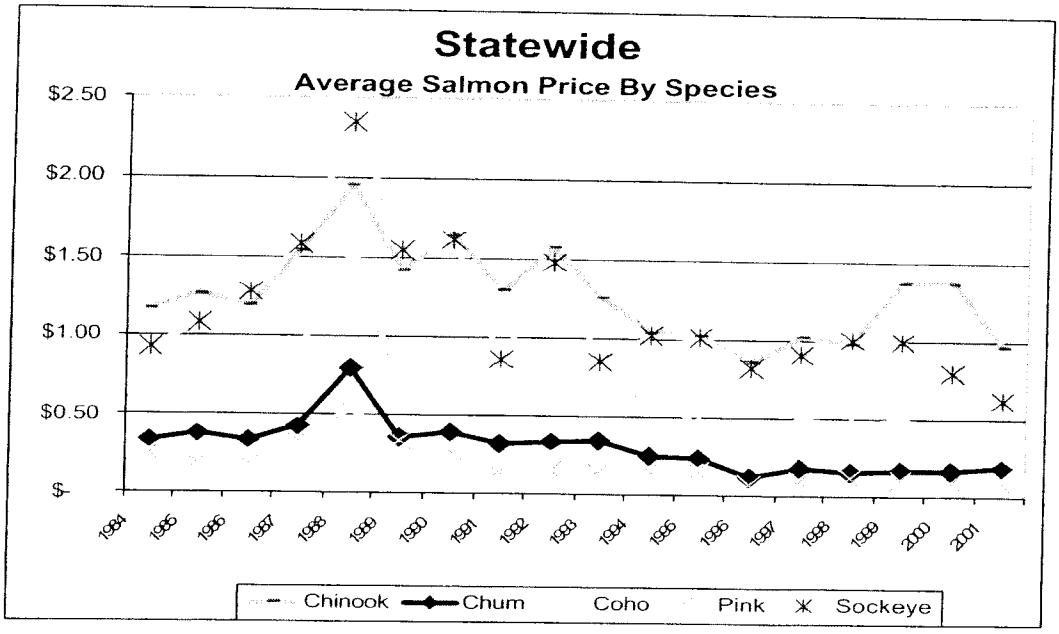


Figure 2. Statewide prices for salmon by species.

This attrition of harvesters is already occurring. Figure 2 demonstrates the statewide average price per pound for each species. All species, less chum salmon with its increased value from a strong roe market, are undergoing strong downward pressure. In the more remote Western Alaska, the prices are lower than under Figure 2. In these salmon dependent regions, the price is often too low for harvesters to breakeven. In 2001, the Bristol Bay ex-vessel price for sockeye was $.40/lb. Most harvesters did not make any money.

Like any other business with multiple product lines, seafood harvesters and processors typically have a stake in several different commercial fisheries. Spreading investment and risk over multiple species decreases financial risk associated with normal fluctuations in stocks and market prices. A multi-species operation also realizes synergistic benefits that enable operators to participate in fisheries that would not otherwise be viable.

Salmon is an important component of most Alaska processors' and harvesters' portfolio of operations. The combination of declining export markets and lack of access to domestic markets not only creates hardship for salmon fisheries but also decreases the viability of multi-species operators.

In remote areas of the state, salmon provides the necessary scale of operation to support a processing plant. Residents then have a buyer for other species such as herring, halibut, cod and crab. If salmon becomes an unviable proposition, the plant must close and there will be no buyer for any commercial-harvest seafood in the area. This is particularly acute in rural Alaska, where the vast majority of communities have no road access. The cost of air freight

is prohibitive and the only viable solution to cost-effective market access is by bulk shipment, such as a barge.

Alaska Salmon Production

Alaska salmon hits the market in many product forms. There are five distinct species of salmon that tend to find different markets. Table 1 provides the species and the most common product forms.

Table 1	Product Forms (Markets)				
Species	**Whole**	**Dressed**	**Headed and gutted**	**Canned**	**Fillet/steaks**
Chinook (king)	Canada, Japan, US, Europe	Canada, Japan, US, Europe	Canada, Japan, US, Europe	Canada, US, Europe	US
Coho (silver)	Japan, Canada, Europe, US	Japan, Canada, Europe, US	Japan, Canada, Europe, US	Not common	US
Sockeye (red)	Japan, US, Canada	Japan, US, Canada	Japan, US, Canada	Canada, Europe, US	US
Chum (dog)	Canada, Japan, US, Europe	Canada, Japan, US, Europe	Canada, Japan, US, Europe	Europe, China, US	US
Pinks (humpy)	Canada, Europe, US	Canada, Europe, US	Canada, Europe, US	Canada, Europe, US	Not common

1. Whole – fresh or frozen in its entirety
2. Dressed – internal organs are removed. Head remains.
3. Headed and gutted – Head and internal organs are removed.
4. Canned – Flesh only, or with skin and bone, are canned
5. Fillet/steaks – fish is processed to a fillet portion. Skin and bone may or may not be included.

Chilean Imports

Chilean imports of fresh and frozen farmed Atlantic salmon are flooding the US market. As depicted by Figure 3, the sheer volume of Chilean imports into the US has increased nearly every year since 1994. An important point captured by Figure 4 is the changing composite of imports from dressed/head and gut form to fillet form. In 1991, the percentage of Chilean farmed salmon imports in the dressed form was essentially 100%. As of 2000, that number fell to 9%. While the percentage of fillet into the country was 4% in 1994, it is now well over 90%. Fillets are entirely edible products and approximately 45% of the whole fish. If the numbers for fillets are converted into a dressed fish equivalent, the rate of imports is even more dramatic.

As import increases have added overwhelmingly to supply, the price commanded by Chilean imports has dropped significantly. According to the Urner-Barry *Seafood Price-Current*, on December 2001, the FOB Seattle price for a Chilean farmed raised, Atlantic salmon fresh, skin-on, pin bone out fillet was $1.90. In contrast, in December 2000, the price was $2.80.

According to other reports, Chilean salmon and trout exports to all countries grew by 53% in the first quarter this year over last year's first quarter. However, the price gained by those

exports dropped significantly at the same time, with export value increasing just 3%. Expanded sales to Europe (by approximately 38 percent) and to the U.S. market (by approximately 24 percent) accounted for Chile's increase in these first quarter export numbers.

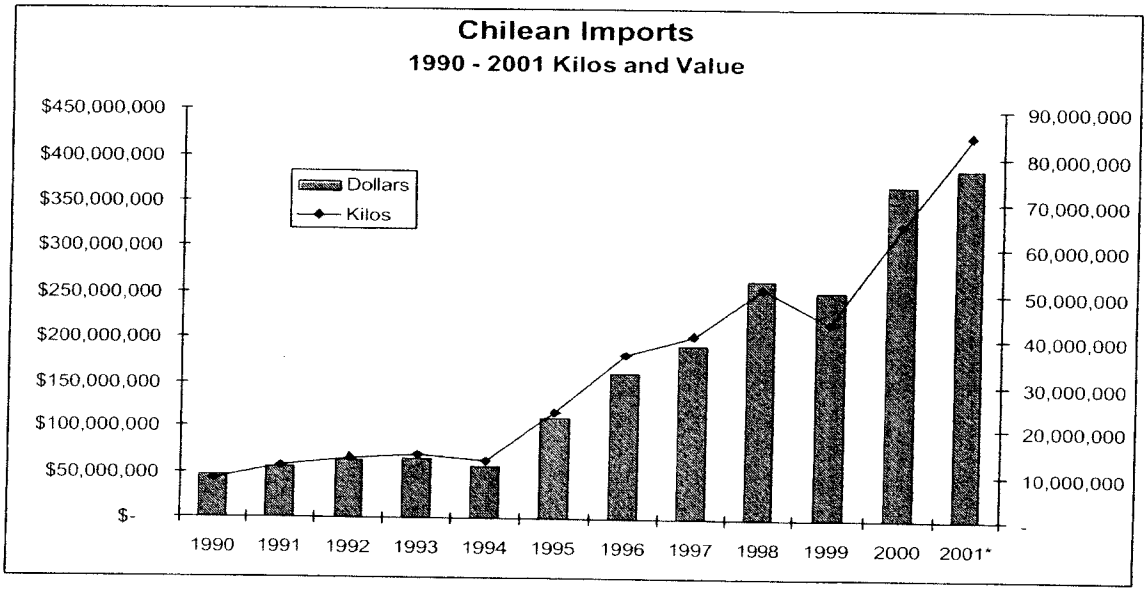


Figure 3

The volume-related price drop of Chilean fillets in the U.S. marketplace has preempted profitable and viable participation by Alaska salmon producers of consumer-ready fresh fillets. The timing of salmon imports, particularly imports from Chile, has emerged as an issue of concern for the Alaska salmon industry. During the last two years, an "import

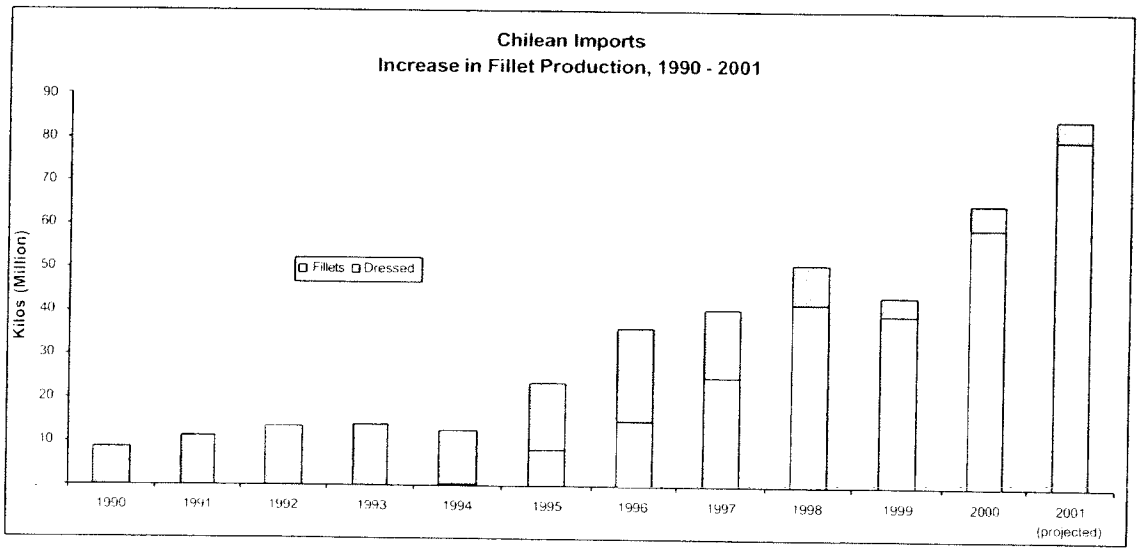


Figure 4

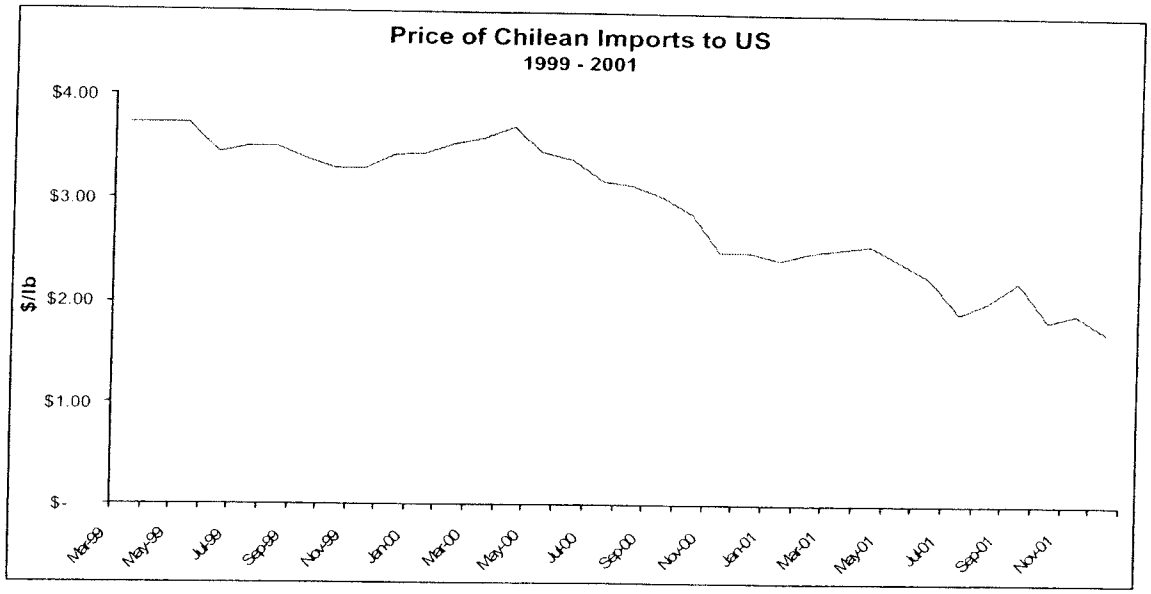


Figure 5

spike" has developed during third quarter. This is of concern to Alaska producers because third quarter is the only quarter during which large quantities of Alaska salmon are available as fresh product. Since timing of wild salmon harvest is beyond the control of producers and fresh salmon has an absolute maximum shelf life of 12 days, altering date of entry to the market is simply not an option for wild producers

Alaska salmon producers are finding intense price competition from Chilean salmon that essentially pre-empts large scale participation in the U.S. market. Foreign salmon producers appear to be having much the same difficulty. U.S. salmon imports have increased by more than one-third since 1999. Chile, Canada, Iceland, Norway and the United Kingdom account for over 95 percent of imports. Yet Chile is the only one of these five to have made substantial gains in export volume to the U.S. during that period. Imports of Chilean salmon to the U.S. increased 50 percent between 1999 and 2000. Canadian salmon imports grew three percent. Volume from Iceland, Norway and the UK declined. Chilean salmon imports comprised 43 percent of the 2000 total.

Comparing the first three quarters of 1999 to the first three quarters of 2001 shows U.S. imports of Chilean salmon grew 108 percent while import growth from all other sources combined was six percent. Norway, Iceland and the UK all decreased export volume to the U.S. during the period and their collective share of the market dropped from 19 percent to nine percent. September 2001 is the most recent data available at this writing. Chilean salmon imports comprise 49 percent of the year-to-date total.

It is significant that Canada has lost market share to Chile during a period of strong growth in the U.S. market. Chile and Canada are the principal suppliers of U.S. salmon imports. Both countries enjoy the production efficiencies of large-scale operations, but Canada has a major competitive advantage in shipping to the U.S. Canadian product can be trucked to major U.S. population centers in a matter of hours. Chilean product must be transshipped to Santiago, travel 4,000 miles by air to Miami, then be transshipped to destination cities within

the U.S. - up to 2,700 additional miles to Seattle, WA. Yet, Chilean fillets are priced are priced 25 cents per pound below BC Canada fillets FOB Seattle as of December 2001.

Chilean producers' ability to under-price Canadian product bespeaks a competitive advantage that transcends the "farmed versus wild" debate. Despite all the logistical, planning and related efficiency benefits that accrue to large-scale salmon farmers *and* a shipping-cost advantage, Canada is still losing U.S. market share to Chile – as are all other significant suppliers of the U.S. imported salmon market.

Alaska salmon is committed to compete with Chilean and other sources of salmon supply to the U.S. marketplace. However, this becomes highly problematic when increasing volumes of Chilean imports depress prices yet Alaskan costs of production remain far higher than those experienced by Chilean salmon farmers and processors for the reasons stated above.

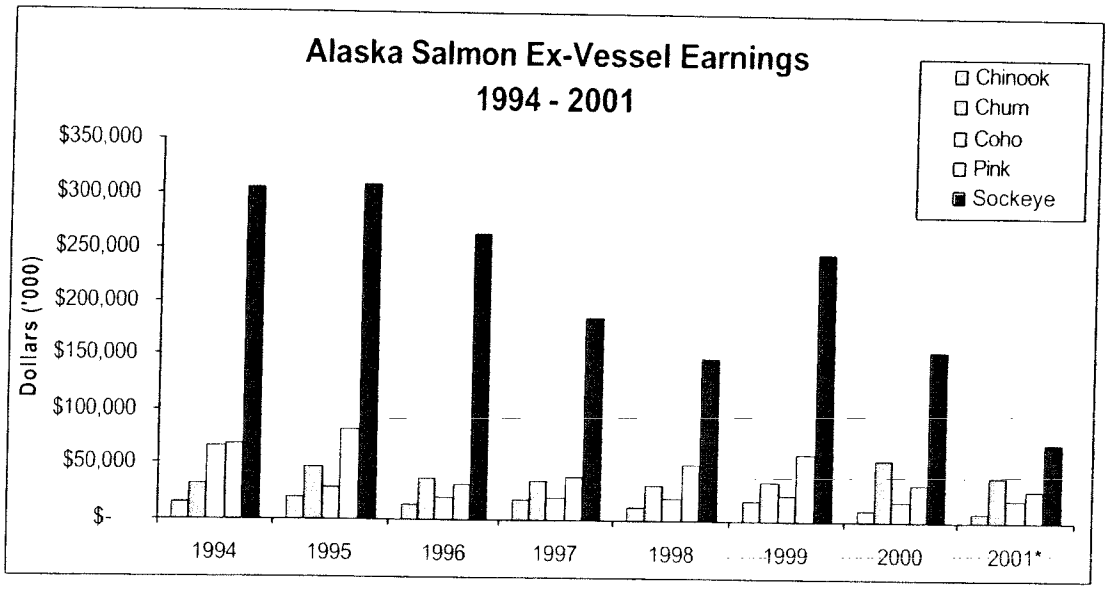


Figure 6

Overview of Alaska Salmon Markets

The Alaska salmon industry sells a significant portion of its product to export markets, particularly Japan, Canada and the United Kingdom. The main species to these markets is sockeye salmon. Sockeye is the second most abundant species of all Alaska salmon and by far the greatest revenue producer. Figure 6 demonstrates the vast difference in earnings of sockeye compared to the other species. It also demonstrates the declining value of sockeye.

For many years, sockeye production was mainly frozen head and gut or dressed for the Japanese market, or in the can for the Canadian or European market. With the blossoming of farmed salmon in the 1990s, and particularly with the development of the Chilean industry, farmed salmon imports into Japan and Europe grew at incredible rates. In contrast, Alaska market share dramatically declined due to lower price farmed salmon imports in Japan and the collapse of the Japanese economy. Figure 7 demonstrates the imports of all salmon and trout into Japan from 1992 through 2000. The data demonstrates that sockeye purchases fell more than 50% during that time, despite increased consumption

of salmon and trout in Japan. This information is supported by export data provided on Figure 8, which compares sockeye head and gut exports against total sockeye harvests. From 1994 through 2000, the percentage of sockeye harvested that went to the Japanese market declined from 61% to 38%.

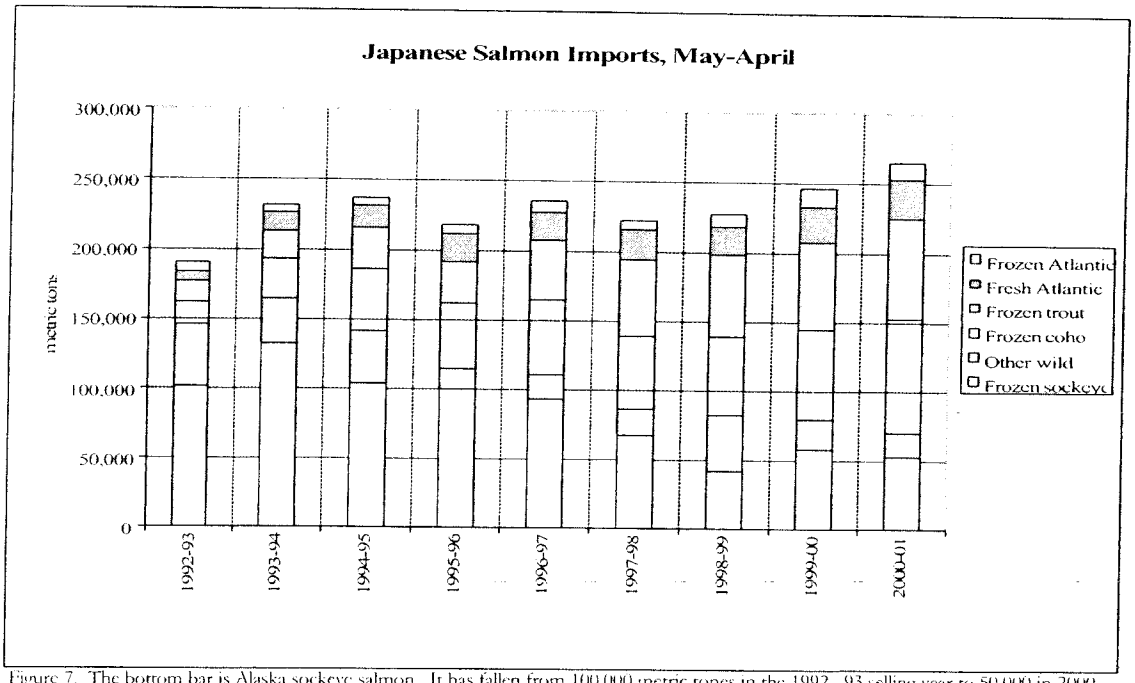


Figure 7. The bottom bar is Alaska sockeye salmon. It has fallen from 100,000 metric tones in the 1992 –93 selling year to 50,000 in 2000-2001. All other Alaska salmon fits into the category "Other wild" just above. The rest of the salmon or trout shown is farmed salmon. Data from Institute of Social and Economic Research, University of Alaska-Anchorage.

With dwindling Japanese markets, traditional processors shifted production into the can market. Unfortunately, demand for canned sockeye is not growing and this creates a glut of this product form on the market. Increased inventories of frozen and canned sockeye lead to increased costs for the processors. With increased inventory costs, along with declining orders of salmon and/or having to match the price of farmed salmon, the value to harvesters fell considerably.

With the decline in these traditional markets, sockeye salmon producers have been working on developing the US market and higher valued products. The number of firms that are processing high value salmon products increased while the number of processors selling primary

Year	Total Sockeye Harvests (Pounds)	Total Sockeye Frozen/Fresh Exports (Pounds)*	Percent of Sockeye Frozen/Fresh Export of Total Sockeye Harvests
1994	291,900,000	179,027,041	61%
1995	350,490,000	191,130,189	55%
1996	310,450,000	166,881,256	54%
1997	188,560,000	108,014,412	57%
1998	127,950,000	59,166,845	46%
1999	247,410,000	93,988,326	38%
2000	206,350,000	79,385,474	38%

*Japan market in excess of 90% of this total each year.

Figure 8 highlights the decline in the Japanese market for Alaska sockeye.

Species	% change in Companies Processing Dressed/H&G, 1990 - 1999	% change in Companies Processing Fillets (any form), 1990 - 1999	% change in Pounds of Fillets (any form), 1990 - 1999
Sockeye	-16%	236%	1516%
Chinook	-12%	620%	184%
Coho	-16%	200%	59%
Chums	-32%	343%	2124%
Pinks	-57%	175%	6657%

Table 2

processed products generally declined. Table 2 shows the decrease in companies selling salmon in the more basic product forms (dressed for 1990 and head & gut for 1999), the increase in firms processing fillets, and the percentage change in the pounds of fillets from those processors. It is important to note that these processor figures do not include secondary processors who may have purchased a fish whole or dressed and further processed it into smoked, fillet or some other innovative product forms.

While sockeye is beginning to make attempts to move into the US market, it will find increasing resistance from low price farmed salmon. Data demonstrates that the other key species, chinook, coho and chum, have long held markets in the US. Preliminary estimates show for certain species, upwards of 50% or more of the total production went into the US market.[3] This information, coupled with data that shows increases in processors and total value-added production, demonstrates that the Alaska salmon industry is working to match the products that Chile is currently flooding in the US market.

	Chinook				Coho				Chum			
	COAR Pounds	Exported Product	Estimated US Product	% of Production	COAR Pounds	Exported Product	Estimated US Product	% of Production	COAR Pounds	Exported Product	Estimated US Product	% of Production
1994	7,991.07	7,632.35	359	4%	53,510.15	26,374.46	27,136	51%	67,712.99	31,401.88	36,311	54%
1995	10,504.72	7,975.59	2,529	24%	36,974.69	24,710.42	12,264	33%	101,183.34	34,041.89	67,141	66%
1996	7,389.81	4,471.65	2,918	39%	27,964.48	16,877.00	11,087	40%	86,297.51	37,848.37	48,449	56%
1997	9,469.52	4,215.27	5,254	55%	14,950.01	7,863.79	7,086	47%	72,648.63	33,671.89	38,977	54%
1998	8,049.25	3,419.13	4,630	58%	20,032.52	11,147.43	8,885	44%	89,332.45	31,804.33	57,528	64%
1999	5,858.80	3,141.35	2,717	46%	18,938.91	17,457.15	1,482	8%	106,484.37	45,764.14	60,720	57%
2000	4,499.87	1,719.77	2,780	62%	18,063.93	15,349.39	2,715	15%	121,717.99	60,404.28	61,314	50%

Pounds in thousands

Table 3 COAR Pounds indicates the pounds reported sold on the Alaska Department of Fish & Game's Commercial Operator's Annual Report. This report generates the wholesale value, product form and volume sold for the "first purchase" processors.

Qualitative Analysis of United States-Chile Free Trade Agreement

2001 was the most difficult season for the Alaska salmon industry in sometime. The staggering increase of Chilean farmed salmon imports brought unseemly low prices. In the most dramatic cases, Atlantic salmon were reportedly hitting the US market at $.95/lb for boneless/skinless fillets. Reports of $1.50/lb for fillets became routine throughout the summer. The ex-vessel price for a pound of coho, without any processing, was $.59 in 2000.

[3] Factors that may change this number include markets for secondary processors and reduction of total pounds from further processing.

High quality coho coming from a troller in Southeast Alaska is expecting at least $.90/lb for their raw product. With low prices from farmed salmon, processors are rapidly losing US markets to farmed salmon.

Processor Testimonials

The following testimonials from Alaska processors concern the effects of farmed salmon on their US markets and other related topics. Processors are not identified here, although can be provided with the application of confidentiality rules.

Mid-size Southeast Alaska Processor – November 2001

"We have been reviewing some of the problems we have had from last season, one of the concerns that we have is that we always had a window for fresh salmon sales, starting in spring and early summer, we have watched those important fresh markets dry up because of farmed salmon availability, and the delivered price that we have to compete with.

We developed fresh salmon markets for the late spring and early summer. We have had grocery store chains on the west coast that we have always been able to count on for that important fresh salmon orders. They have either cut back their orders or cancelled all together.

Alaskan salmon is having a very difficult time in the market place, both domestic and export markets seem to be enjoying a cheap supply of farmed salmon and other seafood products. There is a desire to have Alaskan products, as long as we can supply as cheap as farmed products that are being imported.

Alaskan Salmon is desired but not always accepted because of price differences in farmed salmon and wild Alaskan salmon, Silver (cohos) were a very difficult sell because of price comparisons, some markets show very little interest because of price differences. We already sell salmon cheaper than they can be produced. New markets really I don't think is the answer or for that matter a problem, as much as, how can we produce products as cheap as farmed fish.

I have to wonder if imported salmon are produced with all the strict guidelines and codes etc. that we follow, when you start looking at wage comparisons, insurance, and other labor related issues I have to ask whether or not the we have a fair playing field with imported competition.

Most of the time we can't even begin to supply products without absorbing unacceptable losses."

Large Processor with operations in Southeast Alaska, Gulf of Alaska and Bristol Bay, November 2001

"Here is the short list that we can see from lost sales. The list is much larger.

* Leverocks - Southeast - Skinless/Boneless portions
* Iceland Seafoods - Mid-Atlantic - Skinless/Boneless portions
* Winn-Dixie - Southeast - 100% Fresh Atlantics, in the past 1.0 plus frozen H&G
* Charles Lewis - Southeast - H&G
* Pathmark - Northeast - H&G

* Safeway - Mid-Atlantic - H&G
* Giant - Mid-Atlantic - H&G
* King Soopers - Denver - H&G
* Kroger - Texas - H&G
* Dominicks - Chicago - H&G"

Mid-Size Processor from Cook Inlet, October, 2001

"We have received the death knoll of the salmon industry. At this point in time I could not sell a coho salmon for a profit if the fishermen gave them to me for free because cheap farmed salmon has flooded the market. I do not have the answer to our problem but unless we find relief we are no longer in the wild salmon business. How can the Chileans produce for so much less than us?? I do not believe they can. They must be dumping.

It is a well known fact that Farmed Chilean Coho and other farmed salmon is killing wild Alaskan fish in the marketplace everywhere in the United States. In many cases I am hearing of farmed salmon at unbelievably low prices. Chilean Coho fillets were as low as $1.15 fob Seattle. I could not produce a pin bone out Salmon Fillet landed in Seattle for that price even if I did not pay a cent for the fish. These fish must be being dumped at below cost. It's the only thing that makes sense. Talk about impact. I turned fish away from the fishermen because I could not handle their production at any price. We are being killed here by foreign competition.

We cannot enter any new domestic salmon market because they are all buying farmed salmon."

Small Bristol Bay processor, December 2001

"Currently we are involved with a retailer that has moved from a high margin / low volume strategy to a value oriented / high volume one. At this writing we are currently right in the middle of losing market share as a result. It is clear that farmed salmon is extremely cheap, and this strategy fits right in with anyone who is interested in moving large amounts of volume at a low margin. We have found this in practically every market in America. With loose labeling laws we do not have the convenience of distinguishing the farmed and wild varieties to the point that we would like. In fact, most retailers would prefer that the average consumer not know the difference between the two species.

With the proliferation of farmed Steelhead, the pressure increases even more when trying to differentiate wild sockeye. In one case that I am familiar with the retailer was able to label farmed steelhead as wild sockeye! Currently many stores are substituting farmed steelhead because of its dark red color. If it looks like sockeye, for half the price, and the consumer can't distinguish the difference, there is a big opportunity for the retailer to increase their margins. IN FACT MOST RETAILERS ARE NOT AWARE OF THE FACT THAT THERE IS NO COMMERCIAL HARVEST OF WILD STEELHEAD IN THIS COUNTRY. LET ALONE CONSUMERS!

This is perhaps the most difficult component to marketing wild salmon in the United States today. With the availability of farmed product, most retailers simply want to carry that single variety and not be bothered with wild product. Yes, we have been denied entry to markets

in the mid-west, Northeast and West Coast because of this development. It is the reality of the market place and makes our job extremely difficult to carve out a niche.

Most retailers are enjoying the huge profit margins generated by cheap imports; "It's a profit pipeline, don't step on it!" seems to be the mentality. One of our developing accounts in the Northeast will not let us sell our product into their markets because they are importing Scottish Salmon and simply don't want wild variety primarily due to our inability to compete on pricing. Again, they fear an uprising if their customers really knew how farmed salmon was raised and the true environmental cost of bringing the product to market."

Small, mobile processor, December 2001

{*To the question have you lost markets to farmed salmon?*} "I worked all winter on a project to market my boneless red fillets to Costco. Thousands were spent on packaging. When I finally got my meeting with Costco, the buyer informed me that they had just taken on a Kirkland Brand farm salmon freezer case item, and they couldn't have 2 freezer case items of salmon. Their product is from Canada.

{*To the question, have you found it difficult to enter any US market because of the availability of cheap farmed salmon imports?*} "Bashas in Arizona, Outback Steak house.....ahhhhh, the list is too long to list"

...{*discussions of other problems and solutions*} All sources for good R&D seemed to have dried up, and so will Alaska's fisheries. The first to go will be the Western areas and the AYK. The plague will move south and east until there is no one left standing. The only way to change this ugly picture is for our State to make some smart moves and loosen some laws and a little R&D money for guys like {*name of businessman*}. If the State doesn't pay it out for R&D, it will pay it out for welfare. Build some roads, and airport or two, support new technology, and we will beat out the farm guys. We have a product that will out sell them 50 to 1, but we have to learn how to harvest it right, process it right and finally market it right..... Start by supporting the Chignik proposal for a cooperative allocation."

Mid-Size, Processor in Southeast, October/December, 2001

"This is huge issue {*trade sanctions on Chile*}, with international trade implications for the Federal government. I really would not know where to begin to describe my position. Of course, from a gut and self preservation level, if we could increase the Chilean's producers costs with a tariff, it could help the ailing wild salmon industry, and I'd support it.

My guess, however, is that the salmon consuming public will get outraged when they are told that instead of paying $1.50 per pound of salmon that they now have to pay $3.00 because we need to protect Alaska's wild salmon industry. There could even be a huge backlash against our "wild Salmon" especially since most people don't know that there is a wild vs. farmed salon issue. It means little to them.

Also, many people have joined the pool of salmon consumers as a result of the low low prices we see today, and they did so because they felt they could afford it. Salmon consumption has doubled in the US in the past few years, and a lot of this can be attributed to the Chilean farmed salmon imports.

I feel it is our duty as a State to increase our educational campaign to consumers and make them aware of the value and benefits of consuming Alaskan salmon. ASMI does this, but is very limited in its impact due to its budget. It will take a lot of money accomplish this education in the US, and I really feel that it is time for the State to get back into the funding of ASMI's marketing programs and allocate some funds to do this."

I used to sell a lot of unsliced cold smoked salon to the cruise ship companies coming into Alaska. I developed that market in the early 80's and about 1993, I lost it because I could not compete with the low prices being offered to them for smoked salmon of farmed origin. To put prices in perspective, in 1984 I sold unsliced cold smoked sides of Coho for $7-$8 per pound on larger volumes. Today, I can't get that business at $6.00/lb quotes, and my costs have done nothing but go up since 1984. Basically in the smoked business, the price difference between farmed and wild has magnified (grown even broader) than in the fresh/frozen business.

If it is hard to compete on the fresh/frozen market, it is even harder as you add more value to the product and compete. That price differential magnifies as more value is added. Relatively speaking, it is easier to compete with fresh/frozen salmon than with smoked or portioned salmon against the farmed salmon.

Everyone is always willing to discuss using our wild salmon instead of farmed, but they want it at a cheaper price than what they are currently paying. This is because we cannot deliver fresh everyday, and often, the recovery from wild salmon is lower than for farmed, so you can't blame their reasoning. Yet, we all know the costs for putting wild Alaskan salmon onto the market is higher than the cost for farmed salmon....it's really a joke, and it's nationwide, not region specific."

Mid-Size Processor in Cook Inlet, November 2001

"There is no question in my mind that we, in the Alaska wild fishery, have been severely impacted by the dramatic increase in farmed salmon imports into both the U.S. and Japanese markets. Even thought I am not an expert on the pricing and costs of raising farmed salmon, I don't' think it takes much of a mind to see that the farmed operations are dumping in the US and other countries of the world in order to gain market share and to squeeze the wild fish producers completely out. We are an easy target because of our inefficiencies and inconsistencies in production. I firmly believe, however, that the Alaska salmon industry can survive if we can find ways to adapt, value-add and to become much more cost effective in our production facilities. As a precursor to industry change, however, we need to instill the will to survive in our U.S. Trade Representatives minds and the minds of our State officials. The farmed operations didn't get to their size by just seizing the moment and deciding to be a presence in the world-wide salmon arena. Officials in Chile, Norway, Scotland, Ireland and Canada saw tremendous opportunities in the salmon industry and helped in planning and funding their fledgling industries in order to grow. The outcome of those plans and financing is now bearing the fruit of jobs, income growth and civic pride. We can do the same in Alaska but we are going to need a lot of help in order to get back on our feet in terms of cooperation between the fishers, processor, State of Alaska and U.S. officials. A big task certainly, but not an impossibility."

Small Processor in Southeast, December 2001

We are a small Alaskan seafood processor that has spent the last several years retooling our operations to become more efficient, cost effective and therefore more able to meet the challenges due to the advent of farmed salmon.

Despite our marketing effort of "wild" and MSC (Marine Stewardship Council) certifed sustainable salmon. We are always combating the "cheap" price of imported farmed salmon. For example, we typically pay our hook and line fishermen $.70 to $1.10 per pound for troll caught Coho Salmon. If we turn this salmon into fillets we will yield a 62% recovery from a dressed head on salmon. The cost of material before labor, transportation, packaging or any overhead costs is $1.12 to $1.77 in raw material alone!

I have had customers tell me that they can get fresh farmed Coho Salmon fillets for less than $1.60 LB. FOB Miami. In order to compete with the Chileans we would have to pay American fishermen less than .25lb to just break even for frozen. If we sold it fresh, we would need American fishermen to pay us a dime for every pound of filleted salmon we sold!

.....

Our value added facility sells smoked Coho salmon sides, portions and pieces. Now, even farmed Coho is moving our product off the shelves with prices that are unrealistic to compete. We only hang on to those stores that "must" carry our more expensive Coho because it is wild. However, this a minority and our market is thus limited. Our margins are not good.

The Chileans are dumping infected fish that will die if they do not immediately get rid of them. This onslaught of diseased fish (although safe for human consumption) is one reason why salmon farm dumping disrupts the precarious supply and demand for the American market for salmon. Since there essentially is no market or fishery for "Wild" Atlantic salmon, Alaskans were able to differentiate our species from previous forms of farmed salmon. Now that the Chileans have concentrated on growing and marketing "Coho" salmon it has virtually made our "WILD AND NATURAL" market disappear."

Large Processor with operations in Southeast, Alaska Peninsula, Bristol Bay, December 2001

We have lost some significant business to Chilean imported salmon. We had been selling to several ethnic restaurant groups who specialize in buffet-style presentation. Total annual tonnage was about 350,000 lbs to two of these. That business has now been taken over by Chilean product.

We believe that this may be only one of a number of similar cases. Often times our customers are reluctant to state exactly why they are eliminating or cutting back on programs. So we are left with suspicions but difficult to confirm. In the case of these ethnic restaurants we know with certainty why we lost the business.

Other business affected by Chilean imports:
1) Reprocessing business - our sales have remained stagnant while our customers tell us that they are selling more and more Chilean fillets and portions. Unquantified amount but we are not getting our share of the growth of that business.
2) Exporter - One of our largest USA customers exports our fillets to European smokers. This business has begun to shrink. Customer says that our markets are being taken away by Atlantics from Chile.
3) Reprocessor - One large customer for minced salmon is now buying less wild and more Chilean products and them mixing them. Unquantified amount but in the range of 500,000 pounds."

Coastal Communities of Alaska

Experiences of processors are invaluable to understand the current situation. The brutal market realities faced by processors are having devastating effects on coastal economies of Alaska, particularly where the vast majority of fishing activity is centered around salmon. In 2001, there were several labor disputes that included two prolonged harvester strikes. The strikes, which occurred in the Alaska Peninsula and Chignik fisheries, were over low prices offered by processors. Millions of dollars were lost in both of these fisheries.

Perhaps the greatest demonstration of economic disaster occurred in Bristol Bay. Bristol Bay has the most abundant run of sockeye salmon in the world. This summer the price offered to harvesters fell from $.65/lb in 2000 to $.40/lb. At that price, even vessels that harvested above average quantities of fish were unable to breakeven. For harvesters who come to Bristol Bay from beyond the region, it meant not having enough money to even pay for the airfare to and from the Bay. However, for region residents, many of whom rely on the fishery for their sole income, it meant no money to pay for heating fuel, food and supplies for the winter months.

Solutions to the Crisis

The despair demonstrated in this document does not signal the end of Alaska's wild salmon industry. The State of Alaska is committed to assisting this industry to find ways to compete in this globalized, dynamic sector of the market. The industry has its own inefficiencies that are and will continue to be addressed in the coming years. These areas are generally recognized as over capitalization, inconsistent product quality, poor market diversification, aging product lines and capacity, high freight and other input costs, and lack of capital. This industry is working to solve its problems, but to do so successfully, it must find a level of relief from this alarming level of inexpensive imports from Chile. The rate of increase is too fast to adapt in a timely manner and some assistance at the federal level is necessary.

Conclusion

This fall, Governor Tony Knowles declared Western Alaska an economic disaster due to the collapse of the price of salmon. While aid agencies work to mitigate the damage of these collapsing economies, there is only so much that can be done. For this industry and dependent economies to survive, tremendous effort will need to occur within the industry and in the marketplace. The proposed free trade agreement between Chile and the United States does not acknowledge the crisis within the Alaska salmon industry. In reviewing

material from the US Trade Representative, there appears to be no acknowledgement of the dilemma. While the State of Alaska does not know if the USITC will have an impact on the FTA, it is clear that the federal government has a compelling interest and obligation to assist this industry.

Contributors

Chris McDowell, McDowell Group, chris.mcdowell@mcdowellgroup.net, 907-586-6127

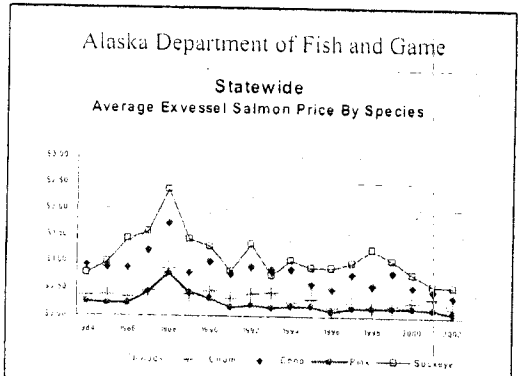
Tom Gemmell, United Fishermen of Alaska, ufa1@ufa-fish.org, 907-586-2820

Scott McAllister, United Salmon Association, scooski@aol.com, 907-463-5831

Glenn Haight, Alaska Department of Community & Economic Development, glenn_haight@dced.state.ak.us, 907-465-5464

1984 – 2002 Exvessel prices – includes 1997-2001 Data from Commercial Operator's Annual Report (COAR)
Source: Sheila Martin, Alaska Department of Fish and Game – published at:
http://www.cf.adfg.state.ak.us/geninfo/FINFISH/SALMON/CATCHVAL/BLUSHEET/84-02exvl.pdf
(Sheila Martin supplied updated COAR prices including 2002 that were used in Petition Item 8B, Attachment B)
(Complete spreadsheet with 1997-2002 COAR data attached as Attachment I)

Salmon Exvessel Price per Pound Time Series by Species



Alaska Department of Fish and Game
Division of Commercial Fisheries

P.O. Box 25526
1255 W. 8th Street
Juneau, AK 99802

Phone: 907-465-4210
Fax: 907-465-2604
www.cf.adfg.state.ak.us

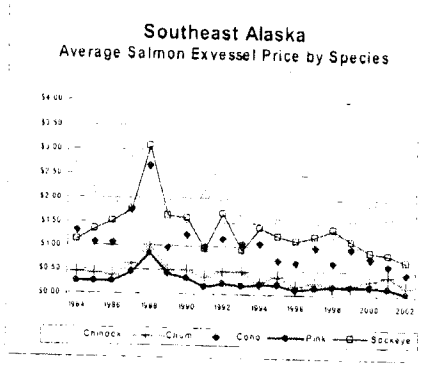
Statewide

Year	Chinook	Chum	Coho	Pink	Sockeye
1984	$1.73	$0.36	$0.95	$0.25	$0.77
1985	$1.50	$0.40	$0.89	$0.23	$0.99
1986	$1.50	$0.35	$0.89	$0.24	$1.43
1987	$2.11	$0.46	$1.21	$0.43	$1.55
1988	$2.69	$0.86	$1.72	$0.79	$2.37
1989	$1.88	$0.40	$0.81	$0.43	$1.42
1990	$1.86	$0.45	$1.01	$0.33	$1.29
1991	$1.99	$0.32	$0.79	$0.15	$0.83
1992	$2.15	$0.41	$0.92	$0.21	$1.33
1993	$1.55	$0.44	$0.86	$0.17	$0.76
1994	$1.35	$0.26	$0.88	$0.19	$1.04
1995	$1.52	$0.32	$0.60	$0.19	$0.89
1996	$1.30	$0.16	$0.50	$0.10	$0.90
1997	$1.59	$0.25	$0.78	$0.15	$0.98
1998	$1.28	$0.19	$0.57	$0.16	$1.23
1999	$2.30	$0.21	$0.83	$0.16	$1.02
2000	$1.95	$0.27	$0.56	$0.15	$0.79
2001	$1.71	$0.34	$0.48	$0.13	$0.58
2002	$1.23	$0.16	$0.37	$0.06	$0.55

NOT USED →

1984-2001 Data from Commercial Operator's Annual Reports
2002 PRELIMINARY Estimates as of 10/16/02

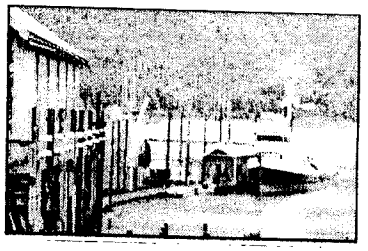
COAR PRICES: 1.30 .18 .48 .10 .61

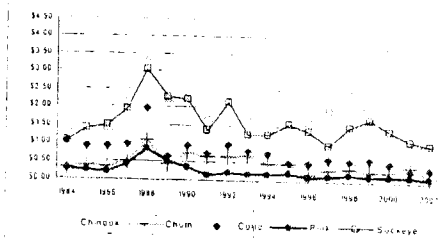


Southeast

Year	Chinook	Chum	Coho	Pink	Sockeye
1984	$2.71	$0.45	$1.32	$0.25	$1.11
1985	$2.19	$0.42	$1.06	$0.24	$1.34
1986	$1.99	$0.38	$1.07	$0.26	$1.51
1987	$2.94	$0.63	$1.76	$0.44	$1.77
1988	$3.63	$1.03	$2.68	$0.84	$3.08
1989	$1.95	$0.49	$0.96	$0.42	$1.63
1990	$2.11	$0.50	$1.23	$0.33	$1.59
1991	$2.10	$0.34	$0.99	$0.15	$0.95
1992	$1.97	$0.48	$1.17	$0.22	$1.69
1993	$1.67	$0.48	$1.06	$0.18	$0.93
1994	$1.93	$0.25	$1.06	$0.20	$1.39
1995	$1.53	$0.37	$0.72	$0.21	$1.21
1996	$1.40	$0.17	$0.68	$0.10	$1.13
1997	$1.64	$0.25	$0.99	$0.16	$1.21
1998	$1.15	$0.18	$0.67	$0.18	$1.36
1999	$1.65	$0.21	$0.97	$0.17	$1.13
2000	$1.97	$0.29	$0.78	$0.18	$0.90
2001	$1.69	$0.39	$0.63	$0.14	$0.85
2002	$0.98	$0.18	$0.45	$0.06	$0.69

→ 1984-2001 Data from Commercial Operator's Annual Reports
→ 2002 PRELIMINARY Estimates as of 10/16/02

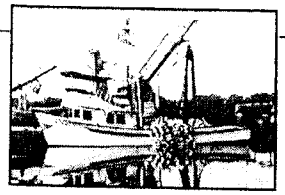




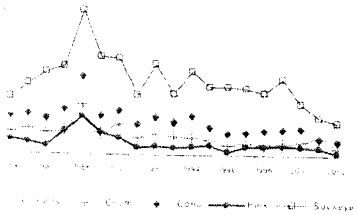
Prince William Sound

Year	Chinook	Chum	Coho	Pink	Sockeye
1984	$1.42	$0.31	$1.04	$0.26	$1.03
1985	$1.64	$0.39	$0.89	$0.23	$1.40
1986	$1.46	$0.34	$0.90	$0.22	$1.50
1987	$2.15	$0.47	$0.97	$0.42	$1.93
1988	$3.28	$1.06	$1.99	$0.82	$3.05
1989	$2.26	$0.43	$0.63	$0.48	$2.29
1990	$2.33	$0.73	$0.95	$0.34	$2.23
1991	$1.72	$0.62	$0.74	$0.14	$1.34
1992	$2.75	$0.61	$0.97	$0.21	$2.13
1993	$1.69	$0.66	$0.81	$0.19	$1.24
1994	$1.49	$0.46	$0.73	$0.19	$1.26
1995	$2.27	$0.44	$0.50	$0.21	$1.55
1996	$1.65	$0.17	$0.50	$0.09	$1.35
1997	$2.01	$0.32	$0.58	$0.14	$0.96
1998	$2.43	$0.35	$0.57	$0.16	$1.49
1999	$4.20	$0.26	$0.58	$0.14	$1.69
2000	$3.84	$0.26	$0.47	$0.15	$1.40
2001	$3.71	$0.40	$0.31	$0.14	$1.11
2002	$3.25	$0.15	$0.34	$0.09	$1.01

2002 Data from this Report not used. - COAR data for 2002 was provided on 8/28 by Sheila Martin of ADF&G - author of this Report. - used in Attachment B - (Item 8B)
- 2002 updated Data shown in Attachment I



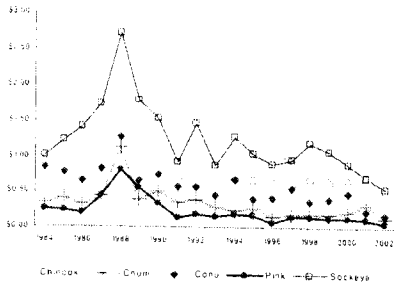
Cook Inlet
Average Exvessel Salmon Price By Species



Cook Inlet

Year	Chinook	Chum	Coho	Pink	Sockeye
1984	$1.08	$0.38	$0.66	$0.25	$0.97
1985	$1.23	$0.44	$0.69	$0.22	$1.22
1986	$1.10	$0.38	$0.63	$0.15	$1.44
1987	$1.36	$0.40	$0.78	$0.41	$1.55
1988	$1.58	$0.87	$1.38	$0.66	$2.54
1989	$1.31	$0.39	$0.68	$0.39	$1.72
1990	$1.50	$0.52	$0.76	$0.29	$1.70
1991	$1.20	$0.29	$0.53	$0.12	$1.04
1992	$1.28	$0.36	$0.65	$0.15	$1.59
1993	$1.03	$0.31	$0.56	$0.12	$1.05
1994	$0.93	$0.29	$0.67	$0.15	$1.45
1995	$0.99	$0.26	$0.49	$0.17	$1.18
1996	$0.99	$0.17	$0.38	$0.07	$1.19
1997	$0.98	$0.21	$0.40	$0.14	$1.16
1998	$1.09	$0.19	$0.43	$0.15	$1.08
1999	$1.19	$0.18	$0.45	$0.16	$1.33
2000	$1.21	$0.23	$0.46	$0.14	$0.88
2001	$1.09	$0.29	$0.30	$0.13	$0.65
2002	$1.12	$0.13	$0.25	$0.05	$0.56

Kodiak
Average Exvessel Salmon Price By Species



Kodiak

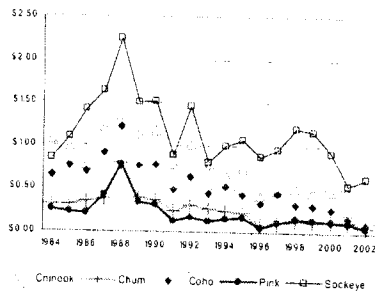
Year	Chinook	Chum	Coho	Pink	Sockeye
1984	$0.95	$0.34	$0.84	$0.26	$1.01
1985	$1.38	$0.40	$0.78	$0.24	$1.23
1986	$1.10	$0.32	$0.65	$0.20	$1.42
1987	$1.12	$0.43	$0.82	$0.43	$1.74
1988	$1.45	$1.13	$1.28	$0.81	$2.71
1989	*	$0.39	$0.65	$0.55	$1.79
1990	$1.06	$0.50	$0.75	$0.34	$1.54
1991	$0.72	$0.35	$0.57	$0.14	$0.92
1992	$1.02	$0.38	$0.57	$0.18	$1.47
1993	$0.77	$0.29	$0.46	$0.16	$0.87
1994	$0.73	$0.23	$0.67	$0.18	$1.28
1995	$0.69	$0.27	$0.40	$0.17	$1.05
1996	$0.65	$0.15	$0.42	$0.07	$0.90
1997	$0.64	$0.19	$0.56	$0.15	$0.96
1998	$0.71	$0.19	$0.37	$0.15	$1.19
1999	$0.68	$0.19	$0.41	$0.14	$1.08
2000	$0.66	$0.22	$0.49	$0.14	$0.89
2001	$0.72	$0.32	$0.24	$0.12	$0.70
2002	$0.73	$0.14	$0.19	$0.07	$0.56

* = Confidential Data

1984-2001 Data from Commercial Operator's Annual Reports

2002 PRELIMINARY Estimates as of 10/16/02

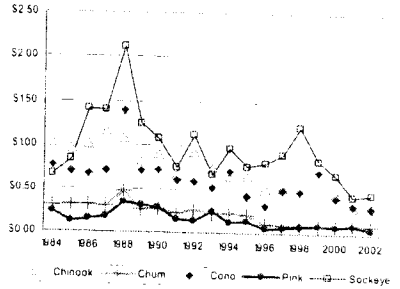
Alaska Peninsula
Average Exvessel Salmon Price By Species



Alaska Peninsula

Year	Chinook	Chum	Coho	Pink	Sockeye
1984	$1.07	$0.30	$0.65	$0.25	$0.85
1985	$0.98	$0.31	$0.77	$0.22	$1.10
1986	$0.77	$0.35	$0.70	$0.21	$1.41
1987	$1.21	$0.38	$0.91	$0.41	$1.64
1988	$1.35	$0.79	$1.22	$0.78	$2.25
1989	$1.12	$0.39	$0.77	$0.34	$1.50
1990	$1.16	$0.36	$0.78	$0.30	$1.52
1991	$0.78	$0.24	$0.48	$0.12	$0.89
1992	$1.01	$0.30	$0.64	$0.16	$1.46
1993	$0.78	$0.26	$0.45	$0.13	$0.80
1994	$0.67	$0.24	$0.53	$0.15	$1.00
1995	$0.73	$0.22	$0.43	$0.16	$1.07
1996	$0.42	$0.08	$0.34	$0.06	$0.88
1997	$0.47	$0.11	$0.44	$0.11	$0.96
1998	$0.51	$0.14	$0.32	$0.15	$1.21
1999	$0.46	$0.12	$0.30	$0.14	$1.17
2000	$0.47	$0.12	$0.27	$0.13	$0.91
2001	$0.27	$0.12	$0.17	$0.11	$0.54
2002	$0.25	$0.07	$0.10	$0.05	$0.47

Bristol Bay
Average Exvessel Salmon Price By Species



Bristol Bay

Year	Chinook	Chum	Coho	Pink	Sockeye
1984	$1.03	$0.30	$0.77	$0.23	$0.66
1985	$0.96	$0.31	$0.70	$0.12	$0.84
1986	$1.01	$0.32	$0.67	$0.15	$1.42
1987	$1.17	$0.30	$0.72	$0.18	$1.40
1988	$1.08	$0.47	$1.40	$0.35	$2.11
1989	$0.82	$0.26	$0.71	$0.32	$1.25
1990	$0.91	$0.27	$0.73	$0.29	$1.09
1991	$0.67	$0.22	$0.60	$0.15	$0.75
1992	$0.93	$0.26	$0.59	$0.14	$1.12
1993	$0.76	$0.22	$0.52	$0.25	$0.67
1994	$0.64	$0.22	$0.71	$0.12	$0.97
1995	$0.66	$0.20	$0.43	$0.14	$0.77
1996	$0.51	$0.11	$0.31	$0.05	$0.81
1997	$0.52	$0.10	$0.50	$0.07	$0.90
1998	$0.62	$0.10	$0.48	$0.08	$1.22
1999	$0.53	$0.10	$0.72	$0.09	$0.84
2000	$0.46	$0.09	$0.41	$0.08	$0.67
2001	$0.31	$0.11	$0.33	$0.09	$0.42
2002	$0.30	$0.10	$0.30	$0.05	$0.45

Attachment I

Updated 1997 – 2002 Alaska Salmon Exvessel prices from Commercial Operator's Annual Reports
Source: Sheila Martin, Alaska Department of Fish and Game –(907) 465-6131.

Statewide Averages - this page (used for Petition Item # 8)

Regional Averages - following pages

Alaska Department of Fish and Game
Division of Commercial Fisheries

Title:	**Statewide Average Exvessel Salmon Prices 1997-2002**
For:	Mark Vinsel, UFA & Roland Maw UCIDA
Contact:	Sheila Martin; 907-465-6131; sheila_martin@fishgame.state.ak.us
Data Source:	COAR Database; Run 08/28/03

Year	Area	Species	Average Exvessel $/lb
1997	Statewide	salmon, chinook	$1.59
1998	Statewide	salmon, chinook	$1.28
1999	Statewide	salmon, chinook	$2.30
2000	Statewide	salmon, chinook	$1.95
2001	Statewide	salmon, chinook	$1.71
2002	Statewide	salmon, chinook	$1.30
1997	Statewide	salmon, chum	$0.25
1998	Statewide	salmon, chum	$0.19
1999	Statewide	salmon, chum	$0.21
2000	Statewide	salmon, chum	$0.27
2001	Statewide	salmon, chum	$0.34
2002	Statewide	salmon, chum	$0.18
1997	Statewide	salmon, coho	$0.78
1998	Statewide	salmon, coho	$0.57
1999	Statewide	salmon, coho	$0.83
2000	Statewide	salmon, coho	$0.56
2001	Statewide	salmon, coho	$0.48
2002	Statewide	salmon, coho	$0.35
1997	Statewide	salmon, pink	$0.15
1998	Statewide	salmon, pink	$0.16
1999	Statewide	salmon, pink	$0.16
2000	Statewide	salmon, pink	$0.15
2001	Statewide	salmon, pink	$0.13
2002	Statewide	salmon, pink	$0.10
1997	Statewide	salmon, sockeye	$0.98
1998	Statewide	salmon, sockeye	$1.23
1999	Statewide	salmon, sockeye	$1.02
2000	Statewide	salmon, sockeye	$0.79
2001	Statewide	salmon, sockeye	$0.58
2002	Statewide	salmon, sockeye	$0.61

Alaska Department of Fish and Game

Division of Commercial Fisheries

Title:	**Southeast Average Exvessel Salmon Prices 1997-2002**
For:	Mark Vinsel, UFA & Roland Maw UCIDA
Contact:	Sheila Martin; 907-465-6131; sheila_martin@fishgame.state.ak.us
Data Source:	COAR Database; Run 08/28/03

Year	Area	Species	Average Exvessel $/lb
1997	Southeast	salmon, chinook	$1.64
1998	Southeast	salmon, chinook	$1.15
1999	Southeast	salmon, chinook	$1.65
2000	Southeast	salmon, chinook	$1.97
2001	Southeast	salmon, chinook	$1.69
2002	Southeast	salmon, chinook	$1.13
1997	Southeast	salmon, chum	$0.25
1998	Southeast	salmon, chum	$0.18
1999	Southeast	salmon, chum	$0.21
2000	Southeast	salmon, chum	$0.29
2001	Southeast	salmon, chum	$0.39
2002	Southeast	salmon, chum	$0.22
1997	Southeast	salmon, coho	$0.99
1998	Southeast	salmon, coho	$0.67
1999	Southeast	salmon, coho	$0.97
2000	Southeast	salmon, coho	$0.78
2001	Southeast	salmon, coho	$0.63
2002	Southeast	salmon, coho	$0.42
1997	Southeast	salmon, pink	$0.16
1998	Southeast	salmon, pink	$0.18
1999	Southeast	salmon, pink	$0.17
2000	Southeast	salmon, pink	$0.18
2001	Southeast	salmon, pink	$0.14
2002	Southeast	salmon, pink	$0.09
1997	Southeast	salmon, sockeye	$1.21
1998	Southeast	salmon, sockeye	$1.36
1999	Southeast	salmon, sockeye	$1.13
2000	Southeast	salmon, sockeye	$0.90
2001	Southeast	salmon, sockeye	$0.86
2002	Southeast	salmon, sockeye	$0.74

Alaska Department of Fish and Game

Division of Commercial Fisheries

Title:	**Prince William Sound Average Exvessel Salmon Prices 1997-2002**
For:	Mark Vinsel, UFA & Roland Maw UCIDA
Contact:	Sheila Martin; 907-465-6131; sheila_martin@fishgame.state.ak.us
Data Source:	COAR Database; Run 08/28/03

Year	Area	Species	Average Exvessel $/lb
1997	Prince William Sound	salmon, chinook	$2.01
1998	Prince William Sound	salmon, chinook	$2.43
1999	Prince William Sound	salmon, chinook	$4.20
2000	Prince William Sound	salmon, chinook	$3.84
2001	Prince William Sound	salmon, chinook	$3.71
2002	Prince William Sound	salmon, chinook	$3.51
1997	Prince William Sound	salmon, chum	$0.32
1998	Prince William Sound	salmon, chum	$0.35
1999	Prince William Sound	salmon, chum	$0.26
2000	Prince William Sound	salmon, chum	$0.26
2001	Prince William Sound	salmon, chum	$0.40
2002	Prince William Sound	salmon, chum	$0.16
1997	Prince William Sound	salmon, coho	$0.58
1998	Prince William Sound	salmon, coho	$0.57
1999	Prince William Sound	salmon, coho	$0.58
2000	Prince William Sound	salmon, coho	$0.47
2001	Prince William Sound	salmon, coho	$0.31
2002	Prince William Sound	salmon, coho	$0.36
1997	Prince William Sound	salmon, pink	$0.14
1998	Prince William Sound	salmon, pink	$0.16
1999	Prince William Sound	salmon, pink	$0.14
2000	Prince William Sound	salmon, pink	$0.15
2001	Prince William Sound	salmon, pink	$0.14
2002	Prince William Sound	salmon, pink	$0.12
1997	Prince William Sound	salmon, sockeye	$0.96
1998	Prince William Sound	salmon, sockeye	$1.49
1999	Prince William Sound	salmon, sockeye	$1.69
2000	Prince William Sound	salmon, sockeye	$1.40
2001	Prince William Sound	salmon, sockeye	$1.11
2002	Prince William Sound	salmon, sockeye	$1.13

Alaska Department of Fish and Game

Division of Commercial Fisheries

Title:	**Cook Inlet Average Exvessel Salmon Prices 1997-2002**
For:	Mark Vinsel, UFA & Roland Maw UCIDA
Contact:	Sheila Martin; 907-465-6131; sheila_martin@fishgame.state.ak.us
Data Source:	COAR Database; Run 08/28/03

Year	Area	Species	Average Exvessel $/lb
1997	Cook Inlet	salmon, chinook	$0.98
1998	Cook Inlet	salmon, chinook	$1.09
1999	Cook Inlet	salmon, chinook	$1.19
2000	Cook Inlet	salmon, chinook	$1.21
2001	Cook Inlet	salmon, chinook	$1.09
2002	Cook Inlet	salmon, chinook	$1.15
1997	Cook Inlet	salmon, chum	$0.21
1998	Cook Inlet	salmon, chum	$0.19
1999	Cook Inlet	salmon, chum	$0.18
2000	Cook Inlet	salmon, chum	$0.23
2001	Cook Inlet	salmon, chum	$0.29
2002	Cook Inlet	salmon, chum	$0.14
1997	Cook Inlet	salmon, coho	$0.40
1998	Cook Inlet	salmon, coho	$0.43
1999	Cook Inlet	salmon, coho	$0.45
2000	Cook Inlet	salmon, coho	$0.46
2001	Cook Inlet	salmon, coho	$0.30
2002	Cook Inlet	salmon, coho	$0.22
1997	Cook Inlet	salmon, pink	$0.14
1998	Cook Inlet	salmon, pink	$0.15
1999	Cook Inlet	salmon, pink	$0.16
2000	Cook Inlet	salmon, pink	$0.14
2001	Cook Inlet	salmon, pink	$0.13
2002	Cook Inlet	salmon, pink	$0.07
1997	Cook Inlet	salmon, sockeye	$1.16
1998	Cook Inlet	salmon, sockeye	$1.08
1999	Cook Inlet	salmon, sockeye	$1.33
2000	Cook Inlet	salmon, sockeye	$0.88
2001	Cook Inlet	salmon, sockeye	$0.65
2002	Cook Inlet	salmon, sockeye	$0.56

Alaska Department of Fish and Game

Division of Commercial Fisheries

Title:	**Kodiak Average Exvessel Salmon Prices 1997-2002**
For:	Mark Vinsel, UFA & Roland Maw UCIDA
Contact:	Sheila Martin; 907-465-6131; sheila_martin@fishgame.state.ak.us
Data Source:	COAR Database; Run 08/28/03

Year	Area	Species	Average Exvessel $/lb
1997	Kodiak	salmon, chinook	$0.64
1998	Kodiak	salmon, chinook	$0.71
1999	Kodiak	salmon, chinook	$0.68
2000	Kodiak	salmon, chinook	$0.66
2001	Kodiak	salmon, chinook	$0.72
2002	Kodiak	salmon, chinook	$0.37
1997	Kodiak	salmon, chum	$0.19
1998	Kodiak	salmon, chum	$0.19
1999	Kodiak	salmon, chum	$0.19
2000	Kodiak	salmon, chum	$0.22
2001	Kodiak	salmon, chum	$0.32
2002	Kodiak	salmon, chum	$0.16
1997	Kodiak	salmon, coho	$0.56
1998	Kodiak	salmon, coho	$0.37
1999	Kodiak	salmon, coho	$0.41
2000	Kodiak	salmon, coho	$0.49
2001	Kodiak	salmon, coho	$0.24
2002	Kodiak	salmon, coho	$0.18
1997	Kodiak	salmon, pink	$0.15
1998	Kodiak	salmon, pink	$0.15
1999	Kodiak	salmon, pink	$0.14
2000	Kodiak	salmon, pink	$0.14
2001	Kodiak	salmon, pink	$0.12
2002	Kodiak	salmon, pink	$0.08
1997	Kodiak	salmon, sockeye	$0.96
1998	Kodiak	salmon, sockeye	$1.19
1999	Kodiak	salmon, sockeye	$1.08
2000	Kodiak	salmon, sockeye	$0.89
2001	Kodiak	salmon, sockeye	$0.70
2002	Kodiak	salmon, sockeye	$0.62

Alaska Department of Fish and Game

Division of Commercial Fisheries

Title:	**Alaska Peninsula Average Exvessel Salmon Prices 1997-2002**
For:	Mark Vinsel, UFA & Roland Maw UCIDA
Contact:	Sheila Martin; 907-465-6131; sheila_martin@fishgame.state.ak.us
Data Source:	COAR Database; Run 08/28/03

Year	Area	Species	Average Exvessel $/lb
1997	Alaska Peninsula	salmon, chinook	$0.47
1998	Alaska Peninsula	salmon, chinook	$0.51
1999	Alaska Peninsula	salmon, chinook	$0.46
2000	Alaska Peninsula	salmon, chinook	$0.47
2001	Alaska Peninsula	salmon, chinook	$0.27
2002	Alaska Peninsula	salmon, chinook	*
1997	Alaska Peninsula	salmon, chum	$0.11
1998	Alaska Peninsula	salmon, chum	$0.14
1999	Alaska Peninsula	salmon, chum	$0.12
2000	Alaska Peninsula	salmon, chum	$0.12
2001	Alaska Peninsula	salmon, chum	$0.12
2002	Alaska Peninsula	salmon, chum	*
1997	Alaska Peninsula	salmon, coho	$0.44
1998	Alaska Peninsula	salmon, coho	$0.32
1999	Alaska Peninsula	salmon, coho	$0.30
2000	Alaska Peninsula	salmon, coho	$0.27
2001	Alaska Peninsula	salmon, coho	$0.17
2002	Alaska Peninsula	salmon, coho	*
1997	Alaska Peninsula	salmon, pink	$0.11
1998	Alaska Peninsula	salmon, pink	$0.15
1999	Alaska Peninsula	salmon, pink	$0.14
2000	Alaska Peninsula	salmon, pink	$0.13
2001	Alaska Peninsula	salmon, pink	$0.11
2002	Alaska Peninsula	salmon, pink	*
1997	Alaska Peninsula	salmon, sockeye	$0.96
1998	Alaska Peninsula	salmon, sockeye	$1.21
1999	Alaska Peninsula	salmon, sockeye	$1.17
2000	Alaska Peninsula	salmon, sockeye	$0.91
2001	Alaska Peninsula	salmon, sockeye	$0.54
2002	Alaska Peninsula	salmon, sockeye	*

* = Confidential data

Alaska Department of Fish and Game

Division of Commercial Fisheries

Title: **Bristol Bay Average Exvessel Salmon Prices 1997-2002**

For: Mark Vinsel, UFA & Roland Maw UCIDA

Contact: Sheila Martin; 907-465-6131; sheila_martin@fishgame.state.ak.us

Data Sourc COAR Database; Run 08/28/03

Year	Area	Species	Average Exvessel $/lb
1997	Bristol Bay	salmon, chinook	$0.52
1998	Bristol Bay	salmon, chinook	$0.62
1999	Bristol Bay	salmon, chinook	$0.53
2000	Bristol Bay	salmon, chinook	$0.46
2001	Bristol Bay	salmon, chinook	$0.31
2002	Bristol Bay	salmon, chinook	$0.33
1997	Bristol Bay	salmon, chum	$0.10
1998	Bristol Bay	salmon, chum	$0.10
1999	Bristol Bay	salmon, chum	$0.10
2000	Bristol Bay	salmon, chum	$0.09
2001	Bristol Bay	salmon, chum	$0.11
2002	Bristol Bay	salmon, chum	$0.09
1997	Bristol Bay	salmon, coho	$0.50
1998	Bristol Bay	salmon, coho	$0.48
1999	Bristol Bay	salmon, coho	$0.72
2000	Bristol Bay	salmon, coho	$0.41
2001	Bristol Bay	salmon, coho	$0.33
2002	Bristol Bay	salmon, coho	*
1997	Bristol Bay	salmon, pink	$0.07
1998	Bristol Bay	salmon, pink	$0.08
1999	Bristol Bay	salmon, pink	$0.09
2000	Bristol Bay	salmon, pink	$0.08
2001	Bristol Bay	salmon, pink	$0.09
2002	Bristol Bay	salmon, pink	$0.06
1997	Bristol Bay	salmon, sockeye	$0.90
1998	Bristol Bay	salmon, sockeye	$1.22
1999	Bristol Bay	salmon, sockeye	$0.84
2000	Bristol Bay	salmon, sockeye	$0.67
2001	Bristol Bay	salmon, sockeye	$0.42
2002	Bristol Bay	salmon, sockeye	$0.49

* = Confidential data

Attachment J - Sample Fish Ticket

DISTRIBUTION — PLACE WRAPAROUND COVER UNDER GOLDENROD COPY
WHITE - PURCHASER — PINK - SELLER
YELLOW - FISH & GAME — GOLDENROD - PURCHASER

PURCHASER

ALASKA DEPARTMENT OF FISH AND GAME
SALMON TICKET

DO NOT WRITE IN THIS SPACE

A01016172

Vessel Name _____

Fishery →
Name →
Permit Number →

DO NOT WRITE IN THIS SPACE

ADF&G NO. →

Roe Codes	
401 - King	403 - Coho
402 - Sockeye	404 - Pink
	405 - Chum

Proc. Code _____ ← Date Caught

Company _____ ← Date Landed

↑ STAT. CHART NO. ↑ %

Area Caught _____ ↑ SHOW NEAREST BAY OR HEADLAND ↑

↑ STAT. CHART NO. ↑ %

SPECIES	CODE	NUMBER OF FISH	NO. OF POUNDS	PRICE	AMOUNT
KINGS	410				
REDS	420				
COHOS	430				
PINKS	440				
CHUMS	450				
SALMON ROE					
SALMON ROE					
CHAR	520				
STEELHEAD	540				
WHITEFISH	580				
Sub-Total					
Less Salmon Enhancement Tax @					
Less Salmon Marketing Tax @ 1%					
TOTAL					

NOT SOLD/PERSONAL USE-95		NOT SOLD/PERSONAL USE-95	
SPECIES	NUMBER	SPECIES	NUMBER

Cash Advance _____ Fish Received by _____

FISH DELIVERED HEREBY WERE CAUGHT IN COMPLIANCE WITH STATE LICENSING LAWS AND STATE LABOR LAWS AND REGULATIONS

★ _____
Permit holder making delivery

Form 11-6016 (Rev. 11-00)